FOREIGN AFFAIRS

Vol. 26 APRIL 1948 No. 3

REGIONAL SYSTEMS AND THE FUTURE OF U. N.

By Oswaldo Aranha

THE world's preoccupation with organizing the structure of the United Nations has, among other but minor reasons, caused Pan-Americanism to pass through a very critical period. In our effort to secure the success of the world system we practically laid aside the American organization, the result of a century of growth. However, peace will never be a matter of construction, but always of reconstruction. A new order cannot be created by cancelling the past achievements of human culture and civilization. Peace is a result; it cannot be a beginning any more than it can be an end in itself.

This work of reconstruction must be attempted on a continental basis and on a world-wide scale. The continental system of peace and security will facilitate the functioning of the world system of peace and security. There is no contradiction in this concept, despite the fact that because of the confusion still prevailing in the present "postwar" period the ideas of regionalism and universality are often presented as contradictory.

Under prevailing circumstances, the United Nations has not yet been able, for obvious reasons, to attain its goal. In view of this, the American countries have realized that their first tasks are to adjust and reinforce Pan-Americanism, to extend the Good Neighbor policy and to defend the American concept of life. They have felt that the best way to help the United Nations construct a peaceful world organization was to strengthen their own community. Beyond this, they have realized that they must expand the American concept of international federations, in order that their successful experiment in establishing a firm basis of peace on this continent may assist the world of today in establishing a real community of peoples.

The contribution of the Americas in the field of international

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organization cannot be disregarded by those who aim to build a durable peace structure for the world. Indeed, the statesmen who are endeavoring to develop our present world organization have a great deal to learn from the American experience. For the Americas have anticipated the international organization of the future.

II

The American family of nations has never been a source of war and conflict. Standing between the extremes of east and west, it has recognized its duty to contribute to the solution of the world's problems. To enable it to fulfill this historic task in the future, Pan-Americanism must be given an even fuller degree of organization. The basis has already been laid — at Chapultepec in 1945, and then at the Petropolis Conference, which consolidated the gains made at Chapultepec and embodied them in the Inter-American Treaty of Reciprocal Assistance, signed at Rio de Janeiro on September 2, 1947.

In my opinion, this development points the most desirable way of strengthening the United Nations, in which today a crisis of conscience and hope is evident. Hamilton Fish Armstrong, in a clear and concise treatise,[1] has registered the fact that a lack of confidence in the new organization in its present incomplete form is growing up, and that many members, large and small, are looking for means to put it in a stronger position to carry out the Charter's Purposes and Principles. To remedy this feeling of insecurity, he has suggested a Protocol which would perform a function for the United Nations similar to that which the Geneva Protocol was planned to play for the League of Nations — and unhappily was not allowed to play. Under this Protocol, the United Nations would be kept intact but supplemented in its work and reinforced in its strength. Without violating the Charter, the signatories of the Protocol would bind themselves, when two-thirds so vote, to resist armed attack even if a veto prevented the Security Council from ordering them to do so.

The American nations bound themselves in such an agreement at Rio de Janeiro. In accord with Articles 33, 51 and 52 of the Charter, they resolved "to conclude the following treaty, in order to assure peace, through adequate means, to provide for effective reciprocal assistance to meet armed attacks against any American

[1] "The Calculated Risk." New York: Macmillan, 1947.

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State, and in order to deal with threats of aggression against any of them." They further agreed "that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations."

In other words, they would pursue peace by all the peaceful means set out in the Charter, and in case those means failed they would act together in the face of aggression. This action was not merely legal under the terms of the Charter; it had the specific purpose of strengthening the provisions of the Charter relating to peace and security.

Moreover, faithful to the tradition of the Pan American Union system, the Conference of Rio further broadened the obligation assumed by the member states by adding, in Article 6, clauses to the effect that "the inviolability or the integrity of the territory of an American State would be affected by: 1) aggression which is not an armed attack, or 2) extra-continental conflict or intra-continental conflict, or 3) by any other fact or situation that might endanger the Peace of America."

This Treaty, inspired by the will of the American nations "to coöperate permanently in the fulfilment of the principles and purposes of a policy of peace," could be the forerunner of what might be called a "Continental Protocol." Such a "Continental Protocol," I think, can and should be executed. Then, with different wording adjusted to individual needs, it should be adopted by all members of the United Nations and thus be extended to the whole world.

It is desirable — indeed, at this crisis in the affairs of the United Nations it seems essential — that attempts to strengthen the world system of peace and security should proceed so far as possible within the framework of the United Nations and in every case acknowledge the prior claim of the United Nations to act to the fullest extent of its capacity. The Inter-American Treaty of Reciprocal Assistance signed at Rio de Janeiro recognized and safeguarded the rights and duties of the United Nations. Mr. Bernard M. Baruch and Mr. John Foster Dulles have recently made suggestions that this treaty might now become a model for similar regional pacts in other parts of the world, specifically, of

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course, western Europe. I am glad to see this weighty confirmation of the wisdom of my own view.

The speech made by Foreign Secretary Bevin in the House of Commons on January 22 did not give any indication of his concern with the United Nations aspects of the regional problem. The West European Union which he proposed should, I think, be integrated with the United Nations and its functions should be tied from the beginning with the enforcement procedure of the Charter, just as is done so successfully in the Inter-American Treaty. Doubtless in the course of further discussions Mr. Bevin will reveal more fully his views as to the importance for the world system as a whole of whatever proposals the British Government may make regarding a regional organization for western Europe.

III

The Inter-American Treaty of Mutual Assistance signed at Rio de Janeiro created the basis of a continental peace federation. It made wars in the Americas and wars against the Americas alike impossible. The countries of this continent, thus united, represent at present perhaps the major economic and military force in the world — in material and human resources, in technical and industrial capacity, in political cohesion for a common purpose.

However, as I noted above, this continental organization needs to be further augmented and developed within the basic scope of the Rio Treaty. Only when the forces just mentioned have become adjusted politically, economically and militarily in a "Continental Protocol" will the continent be in a position to bring to bear its full power for the promotion, conservation and defense of the peace of the world.

For this purpose, a preliminary project of a "Constitutional Pact of the Inter-American System" is to be submitted to the Bogotá Conference, in March of this year, by the Directing Council of the Pan American Union. It provides for the organization of four bodies, as follows: 1, Inter-American Economic and Social Council; 2, Inter-American Defense Council; 3, Inter-American Cultural Council; 4, Inter-American Juristic Council.

The Rio Treaty will have its own executive organ in the Inter-American Defense Council, the final plan for which will be submitted to the Pan American Union. The Defense Council as first created at the third Consultative Meeting at Rio de Janeiro was composed of military and naval technicians appointed by

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each of the governments concerned. It was charged with the task of studying and outlining plans for the common defense of this continent. In Chapultepec, it was transformed into a "permanent military organization." The forthcoming Bogotá Conference will give this body definite constitutional status.

Among the duties of the Defense Council will be that of devising plans for the fulfillment of the obligations undertaken at the Rio Conference. It must submit to the governments of the various American Republics means for bringing about the best possible military collaboration among them, not only for the defense of the continent, but also for the maintenance of world peace through collaboration with the United Nations.

The Defense Council will submit to the Pan American Union not only plans and projects for continental military coöperation, but will also have to suggest steps for the organization, instruction, equipping, expansion, conservation and coördination of American armed forces and concomitant military installations. It will thus strengthen continental political unity in such a manner as to put the full weight of the member nations behind its peace proposals both in the Americas and before the world.

This Pan-American military organization will have economic, cultural and political counterparts. The four Councils together will supplement the work of the United Nations, in accord with the Purposes and Principles of the Charter, the text of which expressly facilitates and counsels the formation of regional organizations. Thus the continental American organization has world-wide as well as local aims.

IV

In light of the foregoing, it is plain that America now has a greater mission than ever to perform. Continental unity, the very fountainhead of its force, is not simply a material fact, stemming from geographical contiguity and from progress itself, but is moral also, resulting from the same interpretation of the fundamental concepts of life. Despite their economic and social differences, the American peoples possess certain common traits which form a spiritual substance. One such trait is the ability to "get along" with people, which is the outcome of respect for the individual, no matter what his origin and regardless of his race or religion. That is real democracy. It is the basis of the American way of life, the definite mark of all American countries, regardless

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of the form of government which the circumstances of the moment may determine in the continuous effort to reach a balance between liberty and authority.

These common traits, by their very existence and the attending circumstances, have contributed powerfully to the formation of an international political unity. It conforms to an ideal of life which all the member states are ready to defend with all their means and resources. Thanks to the United States, those means and resources represent more than half of the world's wealth and potentialities.

Part of our task is to increase and to perfect these existing resources in such a manner that this continent, the savior of western civilization in two world wars, will again, by the Marshall Plan and the strengthening of Pan-American unity, preserve and insure the greatest achievement of those wars — the United Nations organization, on which depends the peace of the world.

As I pointed out above, a regional organization of nations, formed to operate within the framework of the United Nations, can only strengthen that organization. At another time I hope to examine in all their aspects the effects of regional systems upon the future of the United Nations. For the time being I aim only to outline the problem, fix the guide-lines of continental policy, give the basic quotations from the Treaty of Rio de Janeiro and indicate the projects to be discussed at the forthcoming International Pan-American Conference at Bogotá. I trust that this will help my readers appraise the preliminary effects of this development upon the United Nations, its repercussions upon other continents and its meaning for the reconstruction of peace and security throughout the world.

In my opinion, America is making ready to maintain the United Nations organization and, if need be, to save the peace, as it has done in the past. The new orientation of Pan-Americanism, as seen in the Treaty of Rio and the plans for the forthcoming Bogotá Conference, will be a new pillar on which the growing power of the United Nations can be based.

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THE FOREIGN POLICY OF THE AMERICAN COMMUNIST PARTY

By Joseph Barnes

ONE of the few men who can claim to have called the turn on the gyrations of Communist foreign policy over the last decade is Dr. Eduard Beneš, President of the Czechoslovak Republic. In his memoirs, recently published in Prague, he has carefully and reasonably explained his belief in the spring of 1939 that the Russians would buy time from Hitler if an agreement with Great Britain and France should prove impossible, but would eventually be drawn into the war against Germany. This belief was based, he writes, on intelligence reports he was receiving from agents in the German Army and in the anti-Nazi underground. But it was also based on his knowledge of Communist doctrine and practice, which convinced him that the Soviets would preserve their basic revolutionary aims and directives, even though they should be forced along a course of action which "would, in western Europe, produce the impression of being either a series of sudden, unexpected and sensational changes in policy and tactics, or some kind of amoral Machiavellism."

Dr. Beneš called the turn on Moscow's policies, as the war developed, far more accurately than the Czech Communists, who were busy denouncing him as one of the "Guilty Men of Czechoslovakia" for aiding "the British imperialist war effort." Now that the wartime alliance is ended, and both the sudden changes and the impression of cunning duplicity have returned, the American Communists may well be as bewildered and as wrong about the future as the Czech Communists were in 1940. It is true that the problems are strikingly dissimilar. America has no students, either of Russia or of the revolutionary movement, in the tradition of Masaryk and Beneš. The agents available to American leaders are too often lapsed or dissident revolutionaries whose disloyalty to Stalinism is clear but whose new loyalties may be a matter for some conjecture. Yet it remains urgent to understand both Soviet foreign policy and the world revolutionary movement, and the American Communist Party is one point at which these two massive but uncertain forces come into focus for us.

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There are a number of reasons why the speeches and writings of American Communists are little studied outside the party as clues to the problem. It is a small party, seventeenth or eighteenth in size among the national Communist parties of the world. This has important effects on the nature of political discussion among members, and on the function of leadership. It reduces to a minimum those substitutes for free discussion, as we think of it, which are still being sought inside the general Communist organizational formula of "democratic centralism." One of these substitutes is the "self-criticism" to which larger Communist parties are frequently challenged; another is the inevitable tempering of ideology involved in its translation into terms which can be grasped by a fairly numerous rank and file. These are often shadowy enough in Russia, or China, or France, where party members are numbered in seven figures. Among some 75,000 estimated members of the American party, whose rights as citizens are sharply limited by law and custom, political discussion acquires both a conspiratorial and an *ex cathedra* tone. Both mask the truth more than they reveal it.

The American Communists share with their European counterparts what the London *Economist* has called "that propensity to tactical oversimplification, *suppressio veri*, deliberate ambiguity, and slanderous imputation of motive, which is the moral occupational disease of most Marxist writers." The historical reasons for this propensity are old and tangled. They have been compounded in the United States by the verbal bitterness of the extreme Right, as well as by the running fire of vituperation with which the splinter parties in the American revolutionary movement have always built up their conviction of moral righteousness, if not their effectiveness in winning converts. A hundred years ago Karl Marx may have deserved his reputation as a master of abusive language, but he was a tyro compared to those who have resigned, or been purged, from the several parties which now call themselves Marxist.

The official Stalinists play a leading but by no means exclusive rôle among these parties in the United States, and their policies, like their language, are indisputably influenced by the others. Besides the European Social-Democrats now resident in the United States, who play a more important part in revolutionary polemics here than they are usually credited with, there are the followers of Daniel DeLeon, of Leon Trotsky, and of several

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"deviationists" who have run foul of Moscow orthodoxy in the last 30 years. Among these, the most recent is Earl Browder, who was expelled from the party in 1946 over issues which throw some light on the foreign policy program of American Communists. He has apparently not organized a splinter group of his own, but he still considers himself a Marxist and a Communist in his political writing, and he apparently retains access to Moscow. Even if this situation is recognized to involve a confusion of personal with political differences, it makes still harder the task of trying to understand what American Communists are seeking. Mr. Browder, for example, and *Political Affairs*, the monthly journal of the orthodox Stalinists, are at present in controversy over the English translation of three words in the key paragraph of Zhdanov's important speech to the Cominform in Poland last September.

As a minority party, teetering on the edge of illegality, the United States Communist Party relies more on attacking American foreign policy than on propounding its own views. So what it is against is explained more often than what it is for. The present party line holds that American foreign policy is one of aggressive imperialism, "a naked attempt of the big monopolists of this country to set up their ruthless rule over the whole torn and shattered world." William Z. Foster, 67-year-old leader of the Communist Party, a native-born American working-class leader from Taunton, Mass., has listed recently what he believes to be the goals of this imperialist policy. They are: "to create a bloc of reactionary states directed against the U.S.S.R. (expressed most clearly in the United States of Europe scheme); to support actively all reactionary and Fascist states — Spain, Greece, Portugal, Turkey, Austria, Switzerland; to drive the Communists out of the democratic coalition governments and to push these governments further and further to the Right; to force Germany and as many other European states as possible to become economic and political dependencies of the United States; to prevent economic collaboration among the new democracies themselves and between them and the U.S.S.R.; to break up the coöperation between Communists and Socialists, workers and peasants, Catholics and non-Catholics, throughout Europe; to undermine and split the great new trade union movement and other mass organizations of the people."

Mr. Foster has listed elsewhere seven steps he believes "Wall

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Street imperialists" have decided on: "to undermine the strength of the British, French and Dutch empires and to secure an economic hold upon their colonies and dominions; to reduce the U.S.S.R. to the status of a second-class power; to transform China into a satellite of the United States; to make Japan into a puppet country, economically and politically dependent upon the United States; to tighten American economic, political and military control over all of Latin America; to turn the Mediterranean into an American lake; to exercise complete domination in the Atlantic and Pacific Oceans." Other measures are not excluded from this picture; Mr. Foster, like *The Daily Worker*, is quick to denounce what he calls the use of food reserves for reactionary political purposes, pressure exerted through reconstruction loans to war-stricken countries, the increase of red-baiting within the country in order to stifle even liberal dissent, the growth of militarism as exemplified in defense appropriations or plans for universal military training.

"We American Communists are in full opposition to this whole imperialist program, in gross and in detail, as being violently hostile to the democracy, well-being and peace of the American people, as well as the rest of the world," Mr. Foster has written. "That's the whole story in a nutshell."

The heart of the American Communists' present foreign policy is a demand for a return to what they call "the Roosevelt peace policies." This phrase hides a terminological quicksand, for one of the chief doctrinal quarrels between Browder and Foster seems to hinge on their differing interpretations of what was actually the significance of Roosevelt's policies. But even Mr. Foster uses the phrase.

"The foreign policy of the United States," he has recently written, "should be based on friendly coöperation with the Soviet Union and the new democracies now springing up in various parts of the world. Only this will lay the basis for a strong United Nations. Big Three coöperation, which was the foundation of Roosevelt's successful foreign policy, can be achieved if the American people want it, which they do." Henry A. Wallace is praised for his championship of this policy; "Wall Street" is excoriated for its rejection. Another Communist source, the now defunct weekly *New Masses*, has consistently called for "a front of democracy and peace" to rebuild this foreign policy. "It would be utterly destructive to think," it has recently written, "that the

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mythology of the anti-Comintern has taken such deep roots among the people, and especially within progressive circles, as to make impossible a regrouping into a democratic front, as typified earlier in the Roosevelt coalition."

This central position is spelled out in the current "party line" under five main headings: collaboration with the Soviet Union; sympathy and support for the "new democracies" of eastern Europe; reconstruction of coalition governments, including the Communists, in France and Italy; aid to the struggle of colonial peoples for national independence; and nonintervention in the civil war in China. For the most part, the concrete measures suggested under these headings are obvious. They include nonpolitical loans for the rebuilding of war-ravaged areas of Europe: support for Socialist planning instead of free enterprise projects, and iron-clad adherence to the principle of Big Three unity in settling political differences. (In this respect, the American Communists go farther than Molotov, whose position on the veto problem in the United Nations calls for Big Five unity.)

The linchpin in this entire policy is clearly collaboration with the Soviet Union, and its positions are hard to distinguish, except in minor details, from those taken by Molotov and Vishinsky. Mr. Foster has said in public recently that Soviet leaders have made mistakes: "Marxists make no claim to infallibility." He has denied the charge of slavish following of "the Moscow line," pointing for an example to "the different course taken by the Russians and ourselves regarding Earl Browder." But at the same time he has admitted that the American Communists "generally agree with the main line of the Soviet Union." The party he leads is not a member of the Cominform, but the reasons for this are frankly of a tactical nature. Even if they do not share in the "exchange of experience and coördination of activity" for which the Cominform was established, no secret is made of their reliance on Moscow for ideas and guidance, at the very least, in the field of foreign policy. The official position on this point, according to Mr. Foster, is that policies are made by the American party itself, "without consultation with any outside forces." But the Russian Communists, who are directly involved through their control of a major power in nearly every foreign policy problem in the world, are at the same time credited by him with a "size-up of their situation and work [which] is incomparably more frank, penetrating and correct than any possible criticism

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coming from outside, including that of foreign Communists."

In backing this program, the American Communists can claim a certain consistency. Big Three unity is the postwar equivalent of collective security; support of coalition governments stems from the prewar "Popular Front" program; championship of colonial peoples has never changed since 1917; and the overriding importance in all Communist foreign policy of the security of the Soviet Union as the Socialist fatherland dates from Lenin himself. The sharp turns in the road to international revolution look sharper when they are seen from the side of the road than they do to those whose view is held by discipline and doctrine to the eventual goal.

It remains a minority program, under heavier public attack than at any time in a generation. The criticism is not directed primarily against the specific points of Communist foreign policy. Some of these, like nonintervention in the Chinese civil war or loans to eastern European countries, are backed by Americans who can be called fellow-travellers of the American Communists only with considerable hysteria. The popularity in many countries outside the Soviet Union of some of the cardinal points of Communist foreign policy is now difficult to credit exclusively to the Moscow radio, or the ponderous style of *New Times*, still the chief international organ of "the Moscow line" on foreign policy, or to human stupidity. This represents a change in non-Communist thinking almost as marked as the revision of the earlier American belief that Communist economics were automatically self-destroying. Today serious and thoughtful criticism of the American Communists has shifted to the totality of their policy, and the two features of this which most deeply disturb other Americans are its apparent commitment to ethical values which violate western traditions (the police state, the use of terror as a deliberate political weapon, the justification of means by ends), and its apparent commitment, in a world of frightening national rivalry, to the interests of Soviet Russia.

The first of these criticisms extends far beyond the range of foreign policy, and is by no means new. The second has become vastly more important in recent years. The growth of Russian power has been the primary factor in this process. On the one hand, Communism has profited in nearly every country of the world by its theoretical offer of peace, based on its analysis of modern war as a function of the bourgeois state. On the other

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hand, it has incurred a liability it did not have when Soviet Russia was a defeated and bankrupt country. The unsettling effect of World War II on older concepts of national patriotism is still difficult to measure. The desire for peace, as an end in itself, has probably grown stronger nearly everywhere. Fascism has played its part, in many countries, in sharpening class, race and other group divisions within nations. But this is still a world, outside the U.S.S.R., of sovereign nations; and it is hard to resist the conclusion that the central problem of Communist foreign policy in the United States is its Americanization.

The report of the Royal Commission which investigated Russian espionage activities in Canada in 1946 stated the problem in explicit terms in describing the activities of Communist study groups organized among Canadians:

> Indeed, a sense of internationalism seems in many cases to play a definite rôle in one stage of the courses. In these cases, the Canadian sympathizer is first encouraged to develop a sense of loyalty, not directly to a foreign state, but to what he conceives to be an international ideal. This subjective internationalism is then usually linked almost inextricably through the indoctrination courses to the propaganda of a particular foreign state, with the current conception of the national interests of that foreign state and with the current doctrines and policies of Communist parties throughout the world.

The detailed testimony of some of the accused Canadians made three points clear: (1) the original motivation of nearly all was in terms of "an international ideal;" (2) this opening was then used by a singularly bumbling Soviet espionage service to make some of them agents of a foreign state in completely non-idealistic ways; (3) some of those who had been more thoroughly indoctrinated were consciously aware of this and yet still confident that service to "the Socialist fatherland" could be reconciled with their Canadian patriotism. Others were not so confident. In "The Meaning of Treason," Rebecca West has described the later trial of Dr. Allan Nunn May, British scientist who was convicted of giving samples of uranium to a Russian agent, in terms which convincingly reveal the deep moral indecision on this point which persists even in those who have subscribed to large portions of the Communist position. Here, then, is the framework of emotion and loyalty within which any national Communist party must work out a foreign policy. The Russian appeal to non-Russians is based on an idealism, chiefly the hope for peace, which is international. Over the short run, the support

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evoked by this appeal can be, and in fact is, used to serve the Soviet Union. Can the Communists work out, over the long pull, any mass acceptance of their internationalism as a position which does not do violence to the national loyalties of Americans?

Not even the realists in the Russian Politburo have been able to dissipate the attraction of Communism as a promise of possible peace among nations. The increasing terror of modern war has played a part in keeping the promise fresh in many minds. It is much too glib to assume that American Communists follow a Russian line for reasons which fit neatly into any older patterns of national rivalry or simple treason. International Communist agents are usually professionals, and Soviet diplomatic and trade offices make it possible for them to operate in great secrecy. But our estimate of their skill may be based more often on our own sense of insecurity than on any observation or experience. The fact is rather that Moscow still has a direct appeal to the imagination of many non-Russians, in spite of the importance of specifically Russian national interests in its foreign policies. This appeal is based far more on doctrine than on recent diplomatic history. Before the war, Maxim Litvinov's defense of collective security tended to reënforce this doctrinal base; but since the war, Soviet support of the international brotherhood of man has been consistently subordinated to the security demands of the U.S.S.R. Yet the doctrinal appeal of Marxism to many who would gladly sacrifice most of the prerogatives of the nation-state in return for peace is now a century old. Professor E. H. Carr, in "Nationalism and After," has listed the evidence supporting the curious paradox that World War II may have marked, in many minds, both the apogee and at the same time the end of unqualified nationalism. Popular support for schemes of world government in the United States over the last few years suggests that older feelings of patriotism are still being profoundly churned and modified even in people not attracted by Marxism.

In other parts of the world, the simple internationalism of the "Communist Manifesto" is currently being fused with specific national traditions in ways more varied even than those tried by Lenin in Russia a generation ago. The exact nature and the speed of this alloying process is still uncertain, outside of Russia, but only those transfixed by the creeping terror of the Russian secret police deny that the process is taking place. In both China and Europe, the influence of the Red Army, of professional Com-

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munist agents, and of Moscow directives is certainly stronger than in the United States. Yet the integrity of older concepts of nationalism has also been under far heavier attack than in the United States, as a result of the war, which worked enormous destruction both on private property and on the ideas and loyalties of the middle class.

The degree to which Russian national interests can be blended into even an embryonic Communist internationalism, with recognition of specific national differences, varies widely in different countries, and the determining factor is always Soviet security. The speed at which the process may continue is also impossible to predict, and the question of a national war involving Russia is the greatest unknown in the equation. But many reports from both eastern and western Europe agree that, among the many and curious motivations which have led men and women into the Communist parties since the war, a hope of reconciling the forces of nationalism and internationalism has played a large rôle. The Chinese Communists, according to almost all first-hand accounts, are convinced that the political value of their status as a national Chinese party inside an international Communist movement is more valuable to them than the dubious gain of complete doctrinal orthodoxy and a few Russian machine guns. The "nationalization" of the Communist movement throughout the world is less a tactical gambit dreamed up in the Kremlin than it is a response to very real pressures generated in wartime resistance movements and in the postwar period.

It is significant that this process has so far had no important reflection in the foreign policy of the American Communist Party. It continues to base its general appeal on the older and purer program of the Third International. Moscow theoretical journals are currently debating the nomenclature to be applied to the "democracies of a special type" which have emerged since the war. Every Communist party in Europe is now committed to at least one position which conflicts with Soviet foreign policy. When the "Socialist realists" in Moscow art circles attack Picasso, the French Communists extol him; Czech Communists announce without rebuke that they see no need for a proletarian dictatorship in their country; Arthur Horner challenges British miners to dig more coal for a European recovery program which Moscow denounces. Such instances of national diversity within international Communism are still exceedingly rare, but a few

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years ago there were none at all. The Communists are fumbling for a new formula which will allow Mr. Manuilsky to be Foreign Minister of a "republic" which is sovereign only in the protocol of Lake Success, Marshal Tito to be the head of a semi-sovereign state which cannot make war without Russian permission, and the French and Italian Communists to be independent at least to the point required for them to gain mass support in nations where an older patriotism is taking, to say the least, a long time to die. Mr. Foster, however, has stuck close to the simpler formula; he rejects the charge that his party is un-American by claiming that the charge is based exclusively on a "monopoly-capitalist conception of patriotism." It is significant that his foreign policy must be described or quoted chiefly in negative terms. Its totality is suspect, regardless of its specific points, except to those Americans who fully accept the formula that Soviet success will bring international Socialism which will bring peace.

There are several possible reasons for this. One is the long history of schism and heresy inside American Communism which gives a special onus, by Communist standards, to charges of "revisionism," and especially of "exceptionalism" — the Marxist code word embracing all suggestions that the pattern of proletarian revolution may be modified in any degree by circumstances peculiarly American. Earl Browder's expulsion from the party in 1946 was based on charges of "right opportunism," and the sharpest attack on his policies, made by Jacques Duclos, French Communist leader, in *Les Cahiers du Communisme*, in May 1945 singled out as his chief crimes the changing of the American party to a "political association" and his forecast of relatively long-term class and international peace for the United States. The tactics were correct, the *New Masses* declared when the controversy had ended Mr. Browder's leadership of the party, but the principle had been wrong.

Mr. Browder is still an "exceptionalist," arguing that American imperialism has had potentially progressive aspects and that a long-term peaceful alliance between the Soviet Union and America is both possible and desirable. "According to a new dogmatism," he has recently written, "that has temporarily established itself recently among American Marxists, to speak of anything progressive coming out of American imperialism is the 'crime against the Holy Ghost,' it is the original sin of 'revisionism,' it is the unspeakable word which puts the man who

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utters it outside the pale, to be shunned like a leper." He might have added that the Russian Communists have so far neither shunned him nor denounced him.

Another reason may lie in the fact that American Communists have won their greatest support in the past among first-generation immigrants, whose American patriotism is relatively shallow-rooted, and among intellectuals, most susceptible to the undiluted internationalism of pure Marxist doctrine. Ten years ago, Mr. Browder was the leader of the party when an attempt was made to claim for American Communists some of the traditions of Thomas Jefferson and Abraham Lincoln, largely in terms of propaganda. This was designed to widen the party's appeal and to attract Americans of other groups than those which have traditionally dominated its membership. It is all but impossible now to estimate how effective this attempt proved. It took place in the middle of the depression and when a strong anti-Fascist movement was still growing; both of these were factors tending to widen the Communist appeal in any case. The subsequent dispute over Browder's expulsion from the party was conducted on both sides (at least in public) in such algebraic language that it is difficult now even to guess how much this departure from pure internationalism was involved. What is clear is that the policy changed with the propaganda.

"America," Irving Babbitt said, "is where Europe goes when it dies." This country may well become the last stronghold of what was once strict orthodoxy in European Communism, just as it may be the last habitat of the anti-Comintern. Certainly the foreign policy of the American Communists is now more Russian than Molotov's, if only because it is denied the swift and sudden manœuvrability which that resourceful Foreign Minister retains. It is more Communist than that of Mao Tse-tung, or Clement Gottwald, or Mathias Rakosi, who has already begun the long series of concessions which power exacts from any doctrine. It includes many issues on which it could enlist mass support, yet it remains suspect and alien to most Americans. Only a major depression could give the American Communists again the chances which were theirs during the war to work out a Communist solution in American terms for the conflict between nationalism and internationalism which lies at the heart of the world's crisis.

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HOW STRONG IS BRITAIN?

By Bernard Brodie

THE power of England was so long regarded as a great and fixed quantity that the spectacle of its undeniable decline is as confusing as it is disturbing. The star which shone so brightly is now revealed as a nova in descent, but we are at a loss to know what magnitude to ascribe to it. In referring to the world power constellation we still speak of the "Big Three," but also of the "Big Two." Similarly, we like the term "bi-polar" because it is arresting, and we eschew "tri-polar" because it would be a barbarism. But the preference does not argue a conviction that the former term is descriptively more accurate.

It would, of course, be a mistake to assume that the two Powers which are indisputably great represent whole and equal numbers. The ratio of power between the Soviet Union and the United States is not easily determined, yet each of those nations is unquestionably able to control militarily very large sections of the globe. Each of them would be unquestionably difficult to conquer even by a coalition of all the remaining Powers. But can the same be said of England, that England which on successive occasions saved herself by her efforts and Europe by her example? The example she still provides may be praiseworthy enough in other respects, but it no longer appears to be the kind which can promise salvation to others. On the other hand, the practice of writing off British power was born well before the recent war, and unfulfilled predictions do not age gracefully. We have to start afresh.

II

Since our appreciation of decline is, by definition, a sense of contrast between existing visible weakness and presumed condition of great strength in the past, it is worth our while to examine briefly some of those historical presumptions. The fact is that Pitt's valedictory summed up the extent of British power much more accurately than did many later historians, on whom Mahan's insights had a somewhat exaggerated influence. At any rate, Britain's influence stemmed not so much from power to intervene on the Continent as from the fact that she bore a charmed life. She could remain alive and intact where others fell, and

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could endure as a rallying leader — and incidentally a source of subsidies — to those nations who might in time be provoked to resist an otherwise successful conqueror.

In Pitt's own time England fought Napoleon's France for 23 long years, only fitfully interrupted by the brief Peace of Amiens. During much of that time she fought alone. And she was finally victorious. That was the crowning achievement upon which much of her prestige throughout the nineteenth century was based. It was a great achievement. But the span of 23 years argued weakness as well as stubbornness. Here was a country of only 10,000,000 population fighting against a nation of twice the size. Her success was a defensive success. Because she could keep Napoleon from hurling his armies across the Channel she could endure — and await better times. Splendid opportunities occurred again and again on the Continent, but she could raise no armies adequate for their exploitation. Until 1808, when Sir Arthur Wellesley set foot in Iberia to assist a people in revolt, her efforts ashore were a simple succession of disasters.

Then as later, the chief importance of sea power to Britain was that it made her invulnerable at home. On the offensive side it worked slowly and uncertainly, and never came near to being sufficient in itself. In the net, it enabled England to wait until Napoleon hanged himself by his mistakes and then, by conveying small armies to the right spots on the Continent, to contribute an extra push to his final demise. But it is exceedingly doubtful whether in that pre-industrial age the British blockade contributed much in any direct fashion to the defeat of Napoleon. The 23 years would alone argue trenchantly against the notion.

The ensuing period was one too often referred to as the *Pax Britannica*. There were many factors besides the strength of the British fleet, and equally important ones too, which served to keep Europe relatively pacific. Nevertheless, this was also the century of the Industrial Revolution, in which Great Britain led by a most remarkable margin. It was a century in which her population increased fourfold and in which British capital stemming from British production and thrift overflowed with such teeming abundance that it went out to develop all the lands of the world, not least the United States. The age in which warfare first adopted the modern machine, first on sea and then on land, was also the age in which Britain almost monopolized the production not only of machines but also of iron ore, of pig iron, and of

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coal. She still did not have the armies which would have enabled her to intervene decisively and at will on the Continent; but she had everything else necessary for war, and the fact that she did not need large armies for the defense of her homeland assisted her in expanding her power in every other respect.

But by the time of World War I, her ascendancy had long since begun to wane. Germany and the United States had already by the turn of the century overtaken her in iron and steel production. Both these countries were more populous, and were growing faster. The United States was of course not a threat in any real sense, as Germany was, but the superiority even of the United States was a hurt to British prestige and at certain times a worry. The development of internal transportation in Europe had diminished the superiority of mobility on the periphery of the Continent which British forces had previously enjoyed through sea power.

And even financially the British position had changed in an interesting fashion. By 1914 her exports of goods and services were already less in money value than her imports. The deficit was made up by an income on foreign investment which was indeed large enough not only to cover the deficit but also to provide for further investment abroad. The economist would argue that there is nothing wrong with such a position and that it reflects only maturity as a creditor. And certainly one would want to know how much investment was going on at home before a deficit of the kind just described assumes any real importance. Nevertheless, unless the investment at home could be proved to be abnormally large in comparison with what was going on elsewhere, the data do suggest that Britain's capacity to consume was overtaking — and perhaps passing — her capacity to produce.

Britain's contribution to the World War itself and its tremendous impact upon her are too recent and too well known to require much comment. It was the first war in her history in which she was obliged to maintain great armies continuously on the Continent, and it cost her 1,300,000 dead. Financially, too, she was dealt a blow from which she never really recovered. The great contribution of her sea power has been generally misunderstood. The blockade was indeed an important element in the pressure which brought Germany to collapse, but historians have too often overlooked the fact that without the great Allied opera-

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tions ashore the Germans would scarcely have felt the blockade. And more important than the blockade was the availability to the western Allies through sea power of the resources and finally the manpower of the Americas. But the war did not end without a demonstration that the submarine had made Britain's previously unchallengeable maritime supremacy henceforth precarious.

World War II in retrospect is perhaps more remarkable for demonstrating the continuity of the British position than the changes which modern developments had made in it. It revealed strange parallels in British strategy between wars separated by more than a hundred years and by the whole inheritance of industrialization. Once again a conqueror triumphant in Europe was stopped by Britain at the water's edge. Once again Britain hung on, harassing him at the periphery of his power (and to some extent at the center of it), but chiefly waiting — waiting for him to make his irretrievable and apparently inevitable mistakes. At this point the parallel shifts to World War I. Once again the resources of the world are pooled through the instrumentality of sea power and are concentrated overwhelmingly against the continental aggressor. But the obverse of this happy circumstance is the second and intensified demonstration of vital dependence upon the United States. The new giant among the arms of war, the strategic bomber, discloses itself as not too bad a thing for England. It adds powerfully to the economic effects of the blockade, the latter proving not too important by itself. The use of air power is a two-way game, and England provides an excellent base for bombardment of the Continent. But the benefits derived from use of the submarine are again proved not to be equally divided among the belligerents. The same is true of the new V weapons, especially V-2. And what about the atomic bomb?

Some observers have professed to see a disturbing implication for Britain in the successful invasion of Normandy. What has proved possible in one direction, they argue, may at some future time prove possible in the opposite direction. The answer is simply that it has always been possible for the belligerent which commanded the seas to set an army on a hostile shore, provided that belligerent had also the army to throw ashore. There is certainly nothing new in amphibious operations. England has always used that technique when she had the resources; and, incidentally, it was used successfully on English shores some

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four centuries after the celebrated 1066, when the Earl of Richmond crossed the Channel with a small army and made himself king as Henry VII. What is mainly at issue now is not whether England can be invaded but whether she can be defeated without invasion, either through submarine blockade or air attack, with or without the atomic bomb.

That result of World War II upon Britain's position which needs finally to be noted is obvious enough and widely discussed, but not in terms of its far-reaching military implications, which have not been appreciated. The liquidity of her international financial position, impaired enough by World War I, was at last destroyed by World War II. The question now is not merely whether it can ever be restored, but whether it can be restored with a sufficient margin to enable her to build up substantial military forces. When we see Great Britain confessing her financial inability to maintain the position she accepted in Greece and Turkey or to support her occupation commitments in Germany, when we see her drastically and continuously cutting back the personnel of her armed forces and obliging them to content themselves almost exclusively with existing matériel, when we find her scrapping old capital ships without any promise of replacing them with modern types, we are reminded that it takes a lot of extra money to be a World Power. And money is just what Britain has not got. It is not rash to say that Britain's balance of payments problem is also her greatest single military problem.

III

A war has to be prepared for and fought, as Professor Jacob Viner has put it, with the potential disposable surplus of the country. The extent of that potential disposable surplus depends primarily on the accumulated wealth or fat in the land, on the size of the population and the per capita productivity of that population, and on the degree to which civilian consumption can be kept from devouring the national product. In none of these three respects is Britain's position today a good one, and in the first and third it is much worse than it has been in the past.

In six years of war and nine of austerity, Britain has consumed her fat. It will be a long time before it is replaced to anything resembling the prewar level. So far as concerns population, that of the United Kingdom has for some time been relatively static in numbers at a level about one-third that of the United

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States, and is about to begin declining. As is true of all populations in that situation, the average age level is moving upward. That means not only less manpower in the military age groups but also fewer young persons to support more aged ones.

Per capita productivity depends also on the efficiency of industry. With certain notable exceptions, the industries of Britain have long been inefficient by American standards, due in the main to poor organization, to output restriction by labor, and to inadequate investment over the last 30 years in capital equipment. The British are even now debating in the press and in Parliament the proportion of the national income which ought to go into new capital investment — a matter which is very much under the control of the government. The school of thought which seems to be winning out is that there should be less rather than more capital investment than has been going on recently, the idea being that what is most necessary is to halt inflation by turning out more consumer goods. Even at best, the amount which Britain could spend on rationalization of her industries in her present difficulties would be very small in comparison to her needs. Granting the most favorable possible results which can be expected from the ERP, we cannot look forward to any marked increase in the efficiency of British industries over the next decade or two.

It is clear that two decades of depression and two generations of labor union preachments have left their mark on work habits. The habit of "spreading work" as a solution for unemployment conformed nicely with the impulse to slow down in resentment against the "exploitation" of the capitalist employer. Both habit and impulse are now well-ingrained in the subconscious of the average British workman. If nationalization and a succession of Labor governments can accomplish anything for the British economy, it will be mostly in terms of breaking down those attitudes. On the other hand, if the net economic effect of Labor rule is to be a positive one, the régime will have to rid itself of its singular talent for maximizing inducements to leisure.

Finally we come to what is, from the point of view of military power, perhaps the most important single item in the economic category, the margin by which civilian consumption (and investment dedicated primarily to ultimate civilian consumption) can be cut below the over-all national product. For it is out of that margin that the military establishment is maintained and sup-

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plied with matériel. The United States is no doubt the only major Power in the world that is relatively free from the necessity of choosing between "guns or butter," and that for the simple reason that its gross production is so great that a formidable military organization can be built up from only a small part of it. There is plenty of butter for all in the remainder. Of course we can always insist upon "more butter" to the detriment of our national security, and are clearly in danger of doing so in so far as our national security is bound up with aid to Europe. But so far as our own armed forces are concerned, we can have our guns and eat our butter too.

The British people demonstrated during the war a willingness to cut civilian consumption to a degree which must command the awed respect of Americans. But whether they will be willing during peacetime to make anything like comparable sacrifices for the sake of maintaining an adequate military establishment on sea, land and air is quite another question. And in their present circumstances the sacrifices necessary to that end would have to be obvious and severe. It does not at present appear that they will be willing to make them.

The British are not living well, but they are living beyond their means. That is one interpretation of their inability to balance their international payments, especially since the deficit appears not to be offset by proportionate investment at home. And as was indicated earlier, so far as current production is concerned they have been living beyond their means for a very long time. In the period between the two great wars the income from foreign investments was just barely making up the deficit between current imports and exports, and that at a time in which the terms of trade — that is, the prices paid for imports as against those received for exports — lay markedly in Britain's favor. To be sure, Britain was then paying for a large navy, but she was not by any means keeping it up to date, and she was entirely neglecting the other services. Finally, in the last three years before World War II, due no doubt to her efforts to redress her unpreparedness, she was failing by an annual average of 45,000,000 pounds to cover her trade deficit out of foreign investment income.

Today her net foreign investment income is for all practical purposes at an end. She is additionally plagued at the moment by the sharp reversal against her of the international terms of

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trade. But even when the latter situation eases, as it unquestionably will, she will still be obliged substantially to increase her production and to maintain and enlarge her markets in order merely to maintain her present standard of living. One always finds money for the devil, as the old saying goes, and Britain is even now maintaining rather substantial military forces despite her deficits. But she cannot forever go on with a deficit.

In 1808, when the Peninsular campaign was about to begin, a disciple of Pitt, appealing to the House of Commons to fix a national minimum wage, showed that skilled Lancashire operatives were having to work a six-day week of 15 hours a day in order to earn a pittance of eight shillings. That was how England then absorbed the depredations of French privateers and the loss of Continental markets, which accounted for the oversupply of labor in the textile industries and the consequent fall in wages. It was a bitterly cruel system, and no doubt uneconomical even for the end of enhancing the nation's military power. But for the immediate purpose of fighting a war it had at least the advantage that it worked. And in a land completely set against conscription, the desperation of the textile workers no doubt made it easier to recruit an army for Wellesley.

We have left that all behind, for which there can be no regrets. But the British will soon have to ask themselves whether they are not rushing too fast and too far in the opposite direction. The Labor Government is dedicated first and foremost to enhanced economic welfare and equality, with more social security, more schooling, better housing, and all the rest. And in that as in other respects, the main difference between the two major parties is that Labor sets the pace. Perhaps they can accomplish those ends by raising their productivity, but within the crucial next ten or fifteen years they cannot both accomplish those ends and maintain an adequate national defense.

A nation does not have to be rich, in the sense of enjoying a high standard of living, in order to have great military power. A dictatorship like that of the Soviet Union can, despite a low national income, provide a substantial margin for military purposes simply by severely cutting civilian consumption. The poverty of the people and of the economy generally does have adverse military implications, but it does not prevent the development of formidable power. A democracy like the United States, on the other hand, can be very powerful because very rich. But

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from the military point of view the United Kingdom has the worst of both systems. She is a democracy — and in the modern sense, too, which means accent on welfare and equality — and she is poor. If she is to build up over the next ten or fifteen years real military power in terms of modern requirements, that development will have to be largely subsidized by the United States. Such an enterprise might indeed be a good investment for the United States to make in its own national security, but it is not likely to prove politically acceptable.

IV

"There is no doubt that modern weapons, such as air bombardment, long range rockets, improved submarines, and the atomic bomb have seriously weakened Commonwealth security by greatly increasing the vulnerability of its heart — the United Kingdom." Such is the admission of Field Marshal the Viscount Alanbrooke, Chief of the Imperial General Staff during the recent war, in a statement made early in 1947. Apart from the fact that it was made by one of Britain's leading wartime soldiers, the only thing remarkable in this declaration is the conclusion, posed in the form of a question, to which it immediately leads. "There are far too many valuable and vulnerable eggs in this very small and seriously exposed basket. Can we disperse some of these vital requirements throughout the Commonwealth? Can we arrive at a more equitable distribution, from a defensive point of view, of our manpower and resources?"

Lord Alanbrooke's reply is implicit in the question. Such a dispersion, however difficult, can and must be accomplished. The idea of dispersing the industrial and human strength of the United Kingdom throughout the Commonwealth and then of organizing the resources of the whole Commonwealth for defense in depth on a global scale combined with concentric offense dominates British military thinking today. An essay developing this theme, by Squadron Leader S. L. Swain, R.A.F., was awarded the Trench Gascoigne Prize for 1946 by the Royal United Service Institution.

A related theme was chosen as the subject for 1948 of the prize essay sponsored annually by *The Army Quarterly*. A spate of articles dealing with the same general thesis has appeared in the British military periodicals and has, of course, overflowed into popular journals.

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Though individually distinct, the ideas represented in these articles generally have in common — besides acknowledgment of United Kingdom vulnerability and insistence upon the dispersion needs thereto attending — a reinvigorated emphasis upon the strategic importance of the Middle East. That emphasis, which rests upon a strange analytical compounding of oil, communications and history, leads in turn to a conception of Africa as the keystone in the arch of Imperial defense. And since modern weapons are likely to necessitate shifting the main lines of communication of the Empire farther south than they have been in the past, it is South Africa rather than the northern part of that continent which is given primacy. Two sentences from the prize-winning essay of Squadron Leader Swain give the crux of the attitude: "As the Mediterranean sea route may be denied, the most central location for a main striking force would be the Union of South Africa. Simonstown, which is capable of development into an excellent base, is almost equidistant from Halifax, Southampton and Melbourne."

Since the object and hope of this pattern of ideas is to create singular strength out of peculiar weakness, it enjoys great appeal. What the rôle of the United States will be in the grand design is not clear, since it is scarcely mentioned. Despite an occasional expression of doubt, the underlying assumption is that the Empire, including the Dominions, will operate together not merely as closely as they have in the past but much more so. The straitened financial circumstances of the United Kingdom will be offset by the unimpaired wealth of the rest of the Commonwealth. That wealth will indeed be enhanced by the redistribution of manpower and industry from the British Isles to the Dominions and colonies.

From the point of view of pure military theory this conception is admirable. It shows imagination, boldness, and a fine soldierly disdain for exclusively defensive thinking. Its only defect is that it is unrealistic. It is not the first duty of soldiers to understand political institutions. Neither can they be expected to appreciate the sociological, political and especially economic obstacles to the kind of organized and deliberate dispersion of industries and populations which they advocate.

This is hardly the place to attempt to develop the military value to the United Kingdom in both world wars of her colonial empire and her connection with the self-governing Dominions.

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The colonies often provided territories to fight on — it is doubtful whether in the net they contributed much else — but in not a few instances the fighting would have been better carried on elsewhere. In other words, against the military advantages provided in the form of bases and perhaps some net addition to resources must be weighed the commitment to defend, and whatever the net result may be it is not clearly and overwhelmingly on the credit side for Britain. The Dominions were something else again. The amount of manpower and resources they freely contributed amounted in the aggregate to a very substantial and important addition to the strength of Britain; and since most of them — Australia and New Zealand alone excepted and only for a part of the recent war — were far removed from the theaters of war, their contributions did not involve corresponding and offsetting embarrassment.

But the Dominions are in every sense of the word independent nations, and while the strength of their voluntary attachment to the symbol of the Crown is very real, it is not corrosion proof. Many observers, including this writer, were surprised that the Dominions, after having insisted upon and gained full recognition of their right to declare for themselves whether Britain's wars were also their wars, should nevertheless have ranged themselves so promptly on England's side at the outbreak of World War II. But the promptness was not unqualified. In the case of South Africa, the adherence was by a narrow margin in the Dominion parliament and required the turning out of a government hostile to participation. And the troops provided were for part of the war restricted to action on the continent of Africa. During the conflict Australia had occasion to examine very critically the security value to herself of the alliance. And Canada was obliged because of the attitude of her French-speaking population — a minority which promises before long to be a majority — to put service overseas on a voluntary basis.

In any case, there seems to be a gradual relaxing of the ties between the Dominions and the mother country. The prestige value which the connection provided in the past — an item of importance especially to Canada, to whom it was a compensation for being only a small neighbor of a very great Power — was based on the real or presumed strength of England, economically and militarily. The prestige to be derived from the connection has now greatly faded.

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The English-speaking Dominions would like an influx of capital which would enable them to industrialize further and thereby presumably raise both their standards of living and the size of their populations. And in so far as they want immigrants at all, they clearly prefer Britons. But they do not wish a great influx of immigrants without a corresponding inflow of capital. The United Kingdom certainly does not have the capital to provide. Nor can she raise it simply by disinvestment at home. The industries of Britain represent, among other things, a good deal of fixed and sunk capital not subject to removal. To be sure, specific industries of strategic importance — like the aircraft building industry, which seems nowhere to be commercially self-supporting anyway — can be helped to develop in the Dominions by some measure of disinvestment at home, but the possibilities in that direction are very limited. While hard times at home may induce some Englishmen to leave, the chances are small indeed that any considerable number of them can be induced to move in peacetime because of some soldiers' strategic calculations.

However, before we leave the matter of Imperial cohesion, it is important to remember that the attraction for security which the United Kingdom has so largely lost is now exerted by the United States. And since the Dominions would otherwise prefer their coequal partnership with the United Kingdom, with whom they share great traditions and sentiments, to dependency upon the all too self-sufficient United States, it lies within our power to harmonize those conflicting attractions. Should American policy show itself consistently friendly to British interests and to the Commonwealth system, the Imperial connection will take on new and added meaning to the Dominions. All that is required is that Americans should realize what a marvelous and rare invention the British Commonwealth of Nations is, how much good it has done in the world, and how much it is to our interest that it should survive.

V

But how vulnerable is the United Kingdom herself? Is it possible that her ability to resist attack — given reasonable financial and economic means with which to provide herself with military forces — is being written down too far? The answers to this question are a good deal more speculative than those we have dealt with thus far. They involve predictions in a field in which

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previous predictions have often been notoriously wrong — the field of changing technology in weapons of war. It is not that weapons change less rapidly than is predicted. Quite the contrary is usually the case. But what is often overlooked is that technology marches on with a broad sweep, that the development which commands attention may be in process of having its effectiveness nullified by some concurrent development which is either too unobtrusive to draw attention or is being carried on in secret.

For example, it has now become a commonplace that the "Battle of Britain was won by radar." Although the statement is an oversimplification, it is certainly true that the search radars on the English coasts vitally enhanced the effectiveness of the pitifully small number of British fighters. Yet the Germans were at first unaware of their existence, deducing it finally only as a result of the disasters heaped upon their daylight attacks. Furthermore, it has been argued by senior American military officers that if the Germans had had the proximity fuse to combine with their airborne rockets, and if Hitler had had the sense to promote the use of jet propulsion in fighters instead of insisting for too long upon its use in bombers, the great Allied air attacks of 1944–45 would have been impossible and "the air over Germany would have belonged to Hitler!" Whether that statement be true or not in an absolute sense, there is no doubt that the conditions postulated would have made the task of our strategic bombing forces immeasurably more difficult and hazardous and its execution more costly; and in strategic bombing with conventional bombs, costs in plane losses may quickly become prohibitive.

We are witnessing today a remarkable progress — in terms of experimental models — in the performance characteristics of bombing aircraft. Most noteworthy no doubt, from the point of view of circumventing enemy defenses, are the increases in speed and ceiling resulting from the use of jet propulsion. Techniques of bombing and the performance of guided bombs are also advancing apace. But advancing with at least equal speed are developments in ground to air (antiaircraft) and in air to air guided rocket missiles, to which bombers are quite vulnerable. And with jet or rocket propelled fighters apparently able to penetrate the sonic barrier, it is likely that fighters will maintain or possibly even extend their previous advantage in speed over

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bombers. Also, while radar and the proximity fuse are of some utility to strategic bombing forces, they are and seem bound to remain much more useful to the defender. Whatever current technological trends may be, it seems pretty clear that as of now the most advanced tools available to both the offense and the defense in strategic bombing (excluding for the moment the V–2 and the atomic bomb, which upset quite a lot of calculations) would, taken altogether, throw a considerable advantage to the defense compared with the conditions of World War II.

However, such a statement is almost meaningless except in terms of "who is fighting whom." It is hardly to be doubted that in comparison with western Europe, let alone the United States, the Soviet Union suffers from a marked over-all technological backwardness. It does not greatly matter that she has some good scientists and even some German scientists and engineers. Specialized developments in weapons must be erected upon the technological base which the whole economy provides. As the weapons of war become more complicated, and as the complicated weapons become more important relatively to manpower or simple weapons, the Soviet Union tends to lose in military capability.

If the Soviet Union rather than Germany must now be regarded as Britain's major potential opponent, then Britain's vulnerability to "ordinary" strategic bombing (*i.e.*, omitting V–2s and atomic bombs) is no greater and probably much less than it was in World War II. But again, that proposition assumes that Great Britain will have the economic and financial means to build up the requisite fighter forces and antiaircraft defenses. An effective defense against large bomber forces may not be technologically or even economically impractical, but neither is it cheap.

But what about the V-weapons, especially V–2? Against the latter no defense at all was available during World War II. The rockets in flight could be watched on radar screens, but nothing could be done to stop them. And the time of flight was much too brief to permit of any useful warning. It may not prove utterly impossible in the future to devise some means of destroying the missile before it strikes, but the problem is inordinately difficult. Moreover, if ever a target were made to order for the V–2 type of weapon, it is sprawling London, containing something like a quarter of Britain's population and industry.

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Yet the V–2 has its inherent limitations too, even when used against England. It is by no means inevitable that Britain's enemy in another war will be ensconced across the Channel. During World War II the maximum range reached by the German V–2 was about 220 miles. It is technically feasible, even under existing knowledge, to extend that range considerably. But whether it would be economic to do so is another matter. The rocket is a single-use weapon and relatively inaccurate. To improve its performance markedly, especially in respect to range, might quickly result in a situation where a good deal more resources went into the manufacture and use of the rocket than were destroyed by it. The psychological results might still make it worth while, but even to achieve useful psychological ends the numbers used would have to be very great. So long as the warhead remained a chemical explosive, the chances are good that at very long ranges the game would not be worth the candle. An atomic warhead would be quite another matter, but with atomic bombs as scarce as they are likely to remain for the next fifteen or twenty years, the very-long-range rocket would have to gain greatly in accuracy and general reliability as well as in range before it became a feasible vehicle for the atomic bomb.

However, the atomic bomb does not have to be used in rockets alone, and can we even talk about atomic bombs and the defense of England in the same breath? In terms of the number of atomic bombs it would require to destroy her, the United Kingdom is certainly the most vulnerable of the nations which have any pretense to power. Still, that fact alone does not oblige us to write off her case as hopeless. A good many considerations are involved which cannot be developed here; but vulnerability is a relative term, and depends not only on geographical circumstances but equally on the means of offense available to the opponent. Even after American monopoly of atomic bomb production is ended, it is by no means clear that in the ensuing atomic armaments race — if there is one — the advantage will be on the Soviet side. It is probable that by the time the Soviet Union has enough bombs to threaten the life of England, there will be a large enough number of bombs on the other side (if the United States is included) to put her own life in almost equal jeopardy.

The submarine is a more immediate danger. In 1805, when the British Government encouraged Robert Fulton in his crude experiments with submarines and torpedoes, Admiral Lord St.

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Vincent remarked that "Pitt was the greatest fool that ever existed, to encourage a mode of war which they who commanded the seas did not want, and which if successful would deprive them of it." St. Vincent's foresight has since been amply confirmed. The occasional benefit which the British have derived from their own use of the submarine cannot begin to compensate them for the threat posed by its very existence.

It is Grand Admiral Doenitz's opinion that if Germany prior to World War II had concentrated her naval preparations on submarines rather than wasting her resources on large surface warships, Germany would have won the war. Doenitz is an ex-submariner himself and probably biased, but since each German U-boat was ten times as effective per day at sea in 1939–40 as it was in 1942, we need only think of the tremendous havoc wrought in 1942 by the German U-boat arm to realize what half the number of U-boats then existing would have accomplished had they been available at the beginning of hostilities. And the submarine is the one type of naval vessel in which the Soviet Union today is strong.

Moreover, the Soviet Union now has several models of the advanced types of U-boats which the Germans were developing at the close of the war and which would have greatly augmented our difficulties had they been available in numbers a year earlier. The improvements involve mainly greatly increased underwater speeds, and German technicians, many of whom are now in Soviet hands, are said to have been close to perfecting a system by which submarines could use their internal combustion engines while submerged without resort to the *Schnorkel* (a system of pipes extending to the surface and permitting use of combustion engines for recharging batteries at periscope depth). Such an improvement would not only make the submarine far less vulnerable to air attack (the *Schnorkel* actually had that effect) but would also deprive the slower antisubmarine surface vessels of much of their utility and make detection and attack more difficult even for the faster ships. Nor have the performance characteristics of the torpedo lagged in development.

Yet when we consider that until the end of the second year of World War I the British did not even have the hydrophone or the depth charge, and when we contemplate the catalogue of antisubmarine devices perfected since then, we have some reason to modify our concern. The submarine will not necessarily

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have the last word in the contest. The supersonic directional detector, though a great advance over the simple hydrophone, is subject to many limitations, and it is those limitations which have enabled the submarine to remain alive. Without its ability to conceal itself the submarine counts for nothing. It may be inherently impossible to operate radar under water, but if the supersonic detector, or some advance upon it, ever develops a performance comparable to radar, the submarine as a type will be on its way out. However, that time is not yet. For the present it is difficult to see where Britain could find unaided the resources to meet another major submarine threat in case of war.

VI

What do these data add up to? The technological progress of weapons has eroded if not destroyed the defensive advantage which Britain previously enjoyed from her island position combined with superior sea power. That erosion would in any case be serious, but whether it be fatal or not depends on the resources which the British can marshal to cope with it. Unfortunately, the grave deterioration in Britain's economic position makes it very dubious that she will be able unassisted to command the requisite resources. The conclusion appears inescapable that, *standing by herself*, the United Kingdom can no longer fulfil the functions of a Great Power. Nor can she be expected to regain that capacity. The maximum assistance which the Dominions and the colonies could provide — in so far as that assistance could be counted upon for the future — would fall far short of redressing the balance. And the idea of creating a tightly integrated defense system out of the whole Empire is close to being a pipe dream.

What do these conclusions imply for American policy? They certainly do not imply that the United Kingdom and the British Commonwealth must be written off as inconsequential partners in the pursuit of world security. The United Kingdom still enjoys the position of leadership not only in her own Commonwealth but also among the countries of western Europe. Her collaboration is therefore indispensable for the essential task of organizing the democracies of western Europe into some kind of unified security system. Taken together, those countries dispose of a population and fund of resources quite adequate to make them a real counterpoise to Soviet power. Their peoples are

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technologically advanced and have proved themselves tough, and they are devoted to the same basic principles by which we try to rule ourselves. Historically they have not demonstrated remarkable unity in their foreign and security policies, but the circumstances of today may warrant expectation of drastic change in those respects. If among those circumstances we can presuppose an American policy which follows in general the pattern laid down by the European Recovery Program as originally conceived, the prospects are good that economic viability and strategic cohesion in western Europe can both be accomplished. From the military point of view that would be a gain of fundamental importance. It would be absurdly wrong to assume that the Soviet Union is so strong and western Europe inherently so weak that Soviet armies could overrun the latter area at will.

The British rôle is thus a commanding one, and in so far as its continuation in the Commonwealth and in western Europe depends on an inheritance of prestige, it must be American policy to buttress what is left of that prestige. We must indeed remember that England will not again be able to stand alone against an aggressor who has triumphed on the Continent. But what that chiefly argues for our military and economic policy is that she should not again be called upon to do so.

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ITALY, THE MARSHALL PLAN AND THE "THIRD FORCE"

By Carlo Sforza

WHEN the war ended, the first question that a great many Europeans asked themselves, standing face to face with the ruins heaped upon their countries by another world war, was "How can the inhabitants of this impoverished, disorganized and tightly compartmented Continent work for peace and a stable system among the nations of the world?" The answer was not obscure. The first step toward the resurrection of Europe was economic collaboration among the European nations. Since this so plainly was the path toward peace and stability, I shall note at the outset some of the reasons why for two years no progress was made in that direction.

In the first place, the Allies did not make the best use of the available political forces within each European state after the liberation of the Continent, nor did they perceive how ready was public opinion to support European collaboration. Only a few leaders were prepared to proclaim in 1944 what all recognize as necessary in 1948 — and some who did proclaim it were branded Utopians. In the second place, at least in Italy, the seemingly unavoidable need of including Conservatives, Christian Democrats, Socialists and Communists in the same government made any organic program impossible. So long as cabinets were composed of such unassimilable elements, the situation was bound to remain static, as the author of this article, who belonged to three such cabinets, had opportunity to observe. In addition, Italy, one of the great states of Europe, was stupidly humiliated and dangerously mutilated by the Treaty of Peace, while the division between the Great Powers created a bottomless abyss in the heart of Europe — Germany. The burden of mediation, which grew heavier every day as the tension between the United States and Russia grew more acute, fell on the shoulders of France; and France herself felt insecure and could not find any real guarantee against new aggressions in the postwar international system.

The task of making peace was viewed as a series of separate problems, to be dealt with through a process of endless bargaining which resulted almost always in a success for Russian tactics and an extension of Soviet influence. European problems were never

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viewed as an organic whole, and economic reconstruction was looked upon as a problem of procuring emergency aid which would set in motion again a mechanism which had supposedly only jammed. In other words, each country tried to carry on from day to day by means of American aid, without plans and, as a result, often with a waste of relief funds. Naturally there was no European recovery.

This went on for about two years, until at last General Marshall brought everyone's attention to the main point: he said simply that all Europe was wounded, and that what had to be healed was the economic and social structure of Europe as a whole. As we Italians understand the Marshall Plan, and as we interpreted it at the Paris Conference of the 16 nations, it has three essentials. It puts the initiative for reconstruction in the hands of the countries of Europe; it requires the maximum coördination of efforts; and it makes the economic factor dominant over all other considerations. That is to say, it substitutes organized international production for the chaos which exists in the Europe of the so-called independent states. It does not anticipate events by urging a political unification of Europe. Secretary Marshall did not give his proposal a political coloring of any kind; he urged Europe to work her way to recovery and offered American aid in making this autonomy possible. The Harvard speech was a turning point in the history of the relations between Europe and America, and Europeans are deeply grateful to Secretary Marshall and to the United States for taking this approach to a solution of our common problems.

The invitation addressed to Russia — and of course to all the other states of eastern Europe — to take part in the preliminary discussions of the plan showed plainly that everyone looks upon the U.S.S.R. as an integral part of Europe. The U.S.S.R. seemed not to look upon herself quite that way; and at any rate, after the Paris meeting of the three Powers which preceded the conference of the 16 nations, it was clear that Russia would participate only on condition that the old divisions between the national states remained unaltered, in other words, that the Marshall Plan not be allowed to help Europe achieve an organic unity, but be transformed into just one more relief program. This would have meant sacrifices for the American taxpayer, yet no possibility of recovery for the Continent, and an inexorable relapse after the relief funds had been spent. America has given $20

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billion in aid to foreign countries since V-Day, and no one supposes that she can continue this kind of assistance endlessly. The relapse that would follow the final donation of relief funds would quite possibly be irreparable.

This is the reality behind the eternal repetition of the word "independence" in attacks on the Marshall Plan by the Moscow propaganda machine. Every intelligent man knows that such a concern for the "independence" of European states which are economically prostrate and politically unstable is nothing but a pretext for putting them at the mercy of a strong and bold neighbor. Europe can get on her feet only by economic and social coöperation, that is to say, a program of international economic rehabilitation, and the elimination of class struggles. Only a new international conception, harmonizing the ideals of the independence and the interdependence of nations, can give the old Continent a new lease of life.

II

The Italian Government greeted the Marshall Plan with unconditional approval from the first moment. The idea that the plan should be open to all countries of Europe was repeatedly stressed by me during the Paris Conference of July 1947, and confirmed in the final report of the Conference. It was apparent, moreover, that America was not going to be too impressed by phrases, and that what was needed was an example that would show that Europeans meant business. The suggestion that an Italo-French customs union be formed, which I put forward at Paris, was made as much for the sake of a concrete step toward European coöperation as to promote Italy's special interest.

Western Europe once had an excellent system for the exchange of products and services against raw materials, whereby the deficit in the balance of payments of each country was met by invisible assets, such as the tourist traffic, shipping, insurance and foreign investments accumulated through many generations. Today, as a result of the experiments in self-sufficiency imposed by Fascism and Nazism, and the ravages of war, there is nothing left of the old system. A mass of nearly 300,000,000 human beings finds itself faced with the grim task of rebuilding its economy from the bottom up. The Italian economy depends on foreign countries for the supply of the basic raw materials — cotton, metals, rubber, coal, fuel oil, and nearly half of her wheat. Some

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people, even in Italy, ask: Is Europe therefore destined to be made a market for otherwise unsaleable American surplus production? No fear is more childish than this. As a matter of fact, in 1937 and 1939 total American exports to Europe were only 5 percent, and in 1947 not over 8 percent of total American production. It is a fact that, at least so far, Russia herself relies in part on the United States for some products, although they exist abundantly within her own boundaries, for instance, oil; while for other products, such as timber and coal, she is dependent in part on Poland and Finland.

The Italo-Russian interchange, even in the years preceding the war, never exceeded an average of 2 percent of the total of exports and imports in both directions. But while I admit that this is the present reality, it is clear that Italy must do her best, now and in the future, to improve her economic relations with the countries of eastern Europe. To this end, in the last months of 1947, the Italian Government concluded a whole series of economic agreements with these countries, which are perfectly compatible with the European Reconstruction Program, and, as far as we are concerned, extend and complete it. Italy cannot afford to neglect any trade arrangements capable of raising the low standard of living of her people, balancing the budget, and diminishing the burden of taxation. The index of the Italian national income is lower than that of almost all other countries of Europe, as a result of the fundamental characteristics of her economy — the growing pressure of population and the lack of equilibrium between the supply of labor and capital. In 1938 the national income averaged about 110–125 billion lire; in 1946 it was reduced to about two-thirds. In comparison with 1914, the purchasing power of the average individual income has been reduced by more than half, from 667 lire in 1914 to 332 lire in 1946 (about a third of a dollar a day). Every calculation of the rates of taxation must take into account the extremely low level of living which this entails, and, among other anxieties, the consequent danger to social peace. At the beginning of 1947 the number of unemployed was 2,000,000.

The budget deficit has not been bridged by the special financial measures which have been taken, and inflation is still a danger. Last April a total revenue of 521 billion lire was estimated for the budget of 1947–48, against a total expenditure of 832 billion lire — a deficit of 311 billion lire, not taking into account the obligations imposed by the Peace Treaty. A recent estimate leads us to

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hope for an increase of at least 100 billion lire in revenue, as a result of the first payments on the special taxes imposed on capital at the end of 1947. Since the present average index of prices is 50 times that of the prewar period, while the actual revenue is only two-thirds as much, the monetary revenue has increased approximately 33 times. If the total revenue of the 1938–39 budget (27 billion lire) is multiplied by this coefficient, the resulting figure is about 900 billion lire. If the price index remains unchanged this would make the burden of taxation by the central government the same as in the immediate prewar years. The limit of taxable capacity, however, is below this figure, because the increase in population has reduced the amount of income available, already very low in relation to the subsistence level.

Ever since the Marshall Plan was first suggested, Italian foreign policy has constantly emphasized two major points in connection with it. The first is that Europe must respond to the proposal made by Secretary Marshall in the spirit in which it was formulated, and thus make unified effort for reconstruction its primary objective. The second is that the door must be kept open to every opportunity of reaching commercial agreements with the countries of eastern Europe. Active participation in the work undertaken by the 16 nations for the realization of the Marshall Plan, and appropriate economic policy toward countries bound to the Soviet Union, are two aspects of the same policy, the aim of which is the consolidation of peace.

III

The first stage of the negotiations for a customs union between France and Italy was successfully concluded in the conversations at Rome in December 1947, in which the experts of the two countries reached common conclusions on the dual problem of full employment of manpower and improvement of the standards of living. France and Italy are both importing nearly all their raw materials from abroad, and the export markets of both are seriously curtailed. A customs union would create a common market of about 100,000,000 people. It would facilitate direct understandings between the various industrial groups concerning the purchase of raw materials from abroad, the exchange of patents, inventions, and so on, the exchange of raw materials and manpower, and collaboration instead of competition in sharing export markets. This would permit specialization in production

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and a widening of markets. Both countries might thus achieve full employment of manpower, and at the same time lower the costs of production. Both would be better able to face international competition. This union should be a step toward a network of regional agreements in Europe, which would create the most favorable conditions for carrying out the Marshall Plan. The group studying the project of a European Customs Union met again in Brussels in February 1948, heartened by the successful beginning of the Franco-Italian conversations and, I think, aided by the experience of the Italian delegates.

In all fields Italy has stressed the importance of putting economic factors first in the reconstruction of Europe. In May 1947, Prime Minister De Gasperi created the post of Minister of the Budget, which would be entrusted with the control of all state expenditure, and called to fill it Senator Einaudi, a distinguished economist and advocate of free trade of the Cordell Hull school. If Italy succeeds in checking inflation the credit will be Signor Einaudi's. The battle is not won, but at present Italy is the only country in Europe which has been able to bring about a decrease in prices. Indeed, we are aware that normal economic conditions can come only as a result of exceptional efforts. When a coalition government as nearly national in character as possible was essential, Prime Minister De Gasperi did not hesitate to sacrifice the interests of his party in order to widen the base of the government. The Socialists headed by Saragat and the Republicans led by Pacciardi agreed to share the responsibility of power at a moment when the tree of government was bearing nothing but thorns. If one remembers how different are the traditions of the Italian Republican Party — the party of Mazzini and Garibaldi — from those of the Christian Democratic Party, the historical importance of this collaboration between the Democratic Left and De Gasperi's Catholic Party can be properly estimated.

The democratic government of Italy, like that of France, is an example of the "Third Force" in European politics of which much has recently been written. In external affairs, this "Third Force," which is represented by Bevin and Blum no less than by De Gasperi and Schuman, is an expression of the two concrete objectives which I have just emphasized — mutual collaboration for the Marshall Plan, and a desire to obtain the coöperation of eastern Europe. Those who wish to prevent collaboration between eastern and western Europe have launched a violent offen-

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sive against the Plan and against this "Third Force" which is its strongest support. In the verbiage of these attackers the collaboration between European democracies is nothing but a hypocritical mask hiding "imperialism." Such opponents of the Marshall Plan seem to wish to drive everyone to take one or the other of two extreme positions, alike at home and in international relations. Chain strikes are organized for the express purpose of cancelling out the economic improvement which results from the help we are receiving from America. Trade union demands of a purely political nature at times seem to have no other objective than to create uncertainty and economic paralysis. In Italy, in 1947, we had 1,131 strikes (though often only symbolic ones).

But none of this is characteristic of Italian life alone. The same manifestations and the same disruptive forces are everywhere in Europe. I can speak for Italy only — and as far as Italy is concerned, the truth is that she is resisting this pressure today and will resist it in the future, and, I think, with increasing success. As it becomes more and more apparent that all this violence is deliberately organized, the Italian people, who have had a good deal of experience with this sort of thing, are less and less likely to be taken in by it. The very important thing is that, in resisting it, we must not let ourselves be dragged outside the boundaries of legality; in the face of provocation we must resist the temptation to use the methods of dictatorship. Democracy best shows its strength in defense of justice. As long as the Government represents order, and the alternative is disorder, it will be able to count on the moral support of the great majority of hard-working Italian citizens.

We know that it is our duty to keep steadily at work while waiting for passions to calm. The propaganda which exploits hunger will fade out as economic recovery takes place. Now is the hour for economic collaboration — the sound basis for coöperation in every field. The honest welcome accorded the Marshall Plan is the best proof given since the war of the possibility of European recovery — and of world peace. If all peoples do their duty, and if the clear-sighted and unselfish help of America is continued, it is quite possible that, just as 1848 saw the dawn of the independence of Italy, so 1948 will see the dawn of the interdependence of Europe.

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MEASURING THE MARSHALL PLAN

By Stacy May

WHEN on June 5, 1947, Secretary Marshall spoke at Harvard of the terms upon which the United States stood ready to aid European recovery, neither he nor his Commencement audience probably realized that his modest speech would lay the cornerstone of a major reconstruction of world political and economic policy.

Like all pronouncements of genuinely universal significance, the words of the Secretary of State crystallized aspirations already deeply rooted in the minds of men in many nations. After reviewing the wholesale disintegration of the fabric of Europe's economy resulting from the war, the Secretary stated that it was the purpose of the United States to contribute to "the revival of a working economy in the world, so as to permit the emergence of political and social conditions in which free institutions can exist." He made it clear that "the initiative must come from Europe," and that the aid of the United States would be offered to those who demonstrated their readiness to collaborate in such a general recovery but would be withheld from those who manœuvred to block it. Finally, he stated that "any assistance that this Government may render in the future should provide a cure rather than a mere palliative" to the ills that had contributed and were contributing to "hunger, poverty, desperation and chaos."

The yeast in Secretary Marshall's words lay in the promise of American aid to an indigenous European Recovery Program, designed not merely to reconstitute the state of unstable equilibrium which had preceded the last war, but rather to establish a solid economic foundation of mutual collaboration and interdependence that would preclude the recurrence of armed conflict such as had engulfed Europe and involved the United States twice in a single generation.

It was no part of Secretary Marshall's intent to make the European Recovery Program an instrument in a war of ideologies between the Soviet Union and the United States. That result came from Russia's refusal to associate herself, or to allow her satellites to associate, with the swiftly asserted initiative of the nations of western Europe to fulfill the terms which the Secretary had defined as precedent to the granting of American aid. By

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taking this grave step, the Soviet Union clearly placed itself in the category which Secretary Marshall denominated "governments, political parties or groups which seek to perpetuate human misery in order to profit therefrom, politically or otherwise,' 'and hence among those who "will encounter the opposition of the United States." It was by choice other than our own that the European Recovery Program has become a joint instrument of United States and western European policy that must be carried out in the face of avowed Soviet hostility.

No sober appraisal of the Program can afford to ignore its continuing implications. For the nations of western Europe it means a commitment to collaborative action that must continue far beyond the restoration of the prewar status quo. Carried to its logical conclusion, it calls for a degree of economic and perhaps political unity in Europe that has never been attained in the past. For the United States it means a clear recognition of the hard truth that the conditions necessary to a stable Europe are necessary to our interests as well, for the simple reason that a major European war is certain to involve us too. Thus viewed, the European Recovery Program does not represent for us either an investment gamble or a game to be played through to a decision and a hand-shake all round. In describing it we cannot afford the luxury we indulged in when we were awakening support for UNRRA, the Reciprocal Trade Agreement renewal, the British Loan, and the International Bank and Monetary Fund, namely of pretending that the step under consideration was the unique and final measure needed to discharge our responsibilities toward Europe.

The only tenable attitude for us is to regard the Marshall Plan as a current step toward a steadfast goal which both we and the nations of western Europe understand and are determined to achieve. Clear awareness of the objective is far more important than any detail of administrative procedure, and even more important than the dimension of the aid we propose initially to offer. The best rule for defining the terms of our assistance is that they should be flexible enough to allow accommodation to exigencies that cannot presently be foreseen. The best determination of magnitude is, to paraphrase a quip of Mr. Lincoln, that our aid should be large enough to reach from our intention to the realization of our goal.

However hot our passion for the objective — and for Amer-

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icans, at least, no conviction is truly tempered unless it has been touched by fire — our processes of appraisal and measurement should always be conducted at low temperature. We are asked to pay the score, and we should add it up to see whether it promises to give fair value for our pains and falls within the limits of our resources.

Fortunately, the information upon which such an accounting may be based is at hand. Indeed, we in the United States who often plunge into the most momentous decisions with nothing to guide us but our faith find ourselves a thought embarrassed by the wealth of data that has been made available upon this unprecedentedly studied problem. Last summer the 16 nations which elected to enter into the conversations which we had suggested met in Paris to schedule what each could do severally, what each could contribute to the others, and what deficits must be met by outside assistance. From then on there has issued such a spate of statistical estimating, here and abroad, that even the hardiest of professionals have been put to it to ride the torrent.

The very profusion of the data offered may justify the inevitably dull exercise of making one additional attempt to marshal this welter of information in a form to answer three elementary but crucially important questions:

What is the magnitude of the burden that the United States is being asked to assume?

Is the proposed assistance justified in terms of relative European needs and American margins of surplus?

Does the commitment entail such a great mortgage upon American resources that the fulfillment of it will strain the American economy to a point where its basic stability is threatened or controls alien to American peacetime custom will have to be invoked?

II. THE MAGNITUDE OF THE PROGRAM

The Paris Committee estimated the 1948–1951 import needs of the 16 participating countries (plus Western Germany) at $57 billion, exclusive of their mutual trade. Of this, $35 billion was estimated as the required imports from dollar areas, and of this, in turn, $20 billion was premised as coming from the United States. After estimating the total potential of the area concerned to export goods and services beyond its borders, the Committee

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calculated that there would be a net trade balance deficit of $19.6 billion which could only be met through outside financial aid. By far the greatest amount of this deficit was expected to occur in 1948, after which conditions were expected steadily to improve until, in 1951, the trade of the area would fall short of balancing by only $1.6 billion.

These estimates have been screened and re-screened by numerous United States agencies, public and private — most ably and effectively by the so-called Harriman and Herter Committees. Finally, after meticulously weighing the justification of European needs against American availabilities, the Administration arrived at a list of export requirements for the area that it was prepared to honor if Congress proved willing to make available the necessary funds. The Administration, perforce basing its estimates upon arbitrarily assumed prices, calculated the authorization needed for the entire program at $17 billion. Since it appeared unlikely that Congress could reach a decision before April first, the start of the last quarter of fiscal year 1948, the program was lengthened from four to four and a quarter years; $6.8 billion was calculated as the requirement for the first 15 months, carrying through the fiscal year 1949.[1]

When the Administration proposal was submitted for the consideration of the Congressional committees, Senator Vandenberg's advice prevailed in determining that firm authorization would be sought only to cover the $6.8 billion required for the first 15 months, although it was also agreed that due emphasis must be given to the fact that we were embarking upon the long-term program outlined. This course was recognized as wise in view of the palpable impracticality of estimating either European requirements or American availabilities over a 51-month period, and particularly of calculating the dollar costs at unpredictable future prices.

Though the figure of $6.8 billion is thus set as the "cost" of the Marshall Plan to the United States from April 1, 1948, through June 30, 1949, in point of fact, since an additional sum is being sought by the Army for use in western Germany for comparable purposes, the prospective burden upon the United States Treasury may be more properly stated as $7.4 billion.

[1] As this is written, the Senate Foreign Relations Committee has just recommended that the initial appropriation be $5.3 billion for twelve months beginning April 1, 1948, instead of $6.8 billion for fifteen months. This change would not alter substantially the analysis here set forth.

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III. EUROPEAN NEED VS. AMERICAN MARGIN

The second question is whether or not Europe is in genuine need of assistance, and whether or not we have sufficient margin to offer it. A definitive answer to the latter half of this inquiry must wait upon the evidence offered in the next section. Here we shall present only prima facie evidence revealed by comparing the relative food and industrial output positions of Europe and the United States.

The following table presents the respective diets of the Marshall Plan area and of the United States, prewar and for the latest current period available, in terms of calory intake per capita. Measurement upon a calory basis is admittedly crude, and tends to understate the degree of disparity in the American and European diets.

Table A

RELATIVE FOOD CONSUMPTION, PREWAR AND 1946–1947, IN THE MARSHALL PLAN AREA AND THE UNITED STATES

(in calories per person per day)

	1933–37	*1946–47*	
	Number of calories	*Number of calories*	*Percent of Prewar*
Marshall Plan Area			
Average entire population	2,830	2,470	87.3
Average nonfarm population	2,850	2,300	80.7
Selected Countries			
Austria, nonfarm	2,850	1,950	68.4
Germany, nonfarm	2,850	1,950 [1]	68.4
Greece, nonfarm	2,450	2,100	85.7
Italy, nonfarm	2,550	1,950	76.5
France, nonfarm	2,800	2,200	78.6
United Kingdom, total	3,000 (1938)	2,700 (Nov. 1947)	90.0
United States	3,250 (1935–39)	3,420	105.2

[1] The ration of the typical city-dwelling consumer in the German "Bizone" today is only 1,200 to 1,400 calories per day. The goal for 1950–51 is 2,300–2,700 calories per day.

The evidence presented in this table tells its own story. Before the war the diet in the Marshall Plan area was well below ours. Since then it has seriously deteriorated, while ours has improved. The situation in a number of the selected countries shown is far worse than the average for the entire area.

It would take a harsher judgment than most of us could muster

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to argue that our margin is one which affords no leeway for granting assistance.

Table B shows industrial output in physical measurement terms (*i.e.* value of output measured in constant prices) upon a per capita basis for a representative selection of countries in the Marshall Plan area and for the United States.

Table B

INDUSTRIAL PRODUCTION PER CAPITA, AUGUST 1947 COMPARED WITH PREWAR, IN SELECTED MARSHALL PLAN COUNTRIES AND THE UNITED STATES

(Prewar 1937 = 100)

Norway	114
United Kingdom	99
Sweden	98
France	96
Denmark	90
Belgium	87
Netherlands	79
Italy	59
Germany	
U. S. Zone	41
U. K. Zone	29
Austria (1946 figure, 1947 not available)	40
United States	147

In most of the Marshall Plan countries industrial output is below the 1937 levels — in some cases, disastrously below. The United States has bettered its 1937 performance by almost 50 percent.

Two remarks may be in order in addition to the obvious one that here is another field in which our margin of advantage is sufficient to permit some sharing without undue hardship. The first is that the evidence to date offers little over-all support to those who have expressed fear that aid to European industry might wipe out America's competitive advantage. The second points to the extremely low measure of industrial recovery in former enemy countries as a possible explanation of why, in view of the former interdependence of national economies in Europe, the recovery of the remaining nations has not come nearer than it has to matching our own.

IV. U. S. CAPACITIES TO MEET DEMANDS

Evidence bearing on the capacity of the American economy to

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meet European Recovery Program demands, and on the amount of strain that we may reasonably expect to encounter in the attempt to do so, is presented in the four tables in this section.

The first of these, Table C, supplies data relevant to our ability to carry the gift and loan burden that will be assumed in 1948, if the Marshall Plan is added to other known and presently contemplated commitments. It is obvious that the issue is placed in better perspective by measuring the contemplated task against the record of our past performance. The second column of the table presents the absolute magnitude of our gift and loan budget for 1948 compared with our gifts and loans in previous years. The third column relates the yearly magnitudes of gifts and loans to the total resources from which such offerings must be drawn (annual Gross National Product), since the strain imposed by a given load depends both upon its weight and the strength of the structure that supports it.

Table C

UNITED STATES GIFTS AND LOANS COMPARED WITH GROSS NATIONAL PRODUCT

(in billions of dollars)

Year	*Total Gross National Product*	*U. S. Gifts and Loans (Net)*	
		Value	*Percent of GNP*
1938	84.6	0.1	.1
1946	203.7	5.8	2.8
1947	231.8 prelim.	8.5 prelim.	3.7
1948			
with Marshall Plan	230 est.	9.7 est.	4.2
without Marshall Plan	230 est.	5.5 est.[1]	2.4
After World War I			
Immediate Postwar			
1919	77.9	3.5	4.5
1920	85.0	1.4	1.6
Peak Years for Gifts and Loans between the Wars			
1927	90.9	1.6	1.8
1928	93.7	1.8	1.9

[1] Private aid plus U. S. commitments aside from the Marshall Plan and proposed new aid to the Far East.

From the above table it will be seen that the absolute magnitude of the gift and loan budget for 1948 is $9.7 billion, a larger amount than we have ever committed for such use in the past. Nevertheless, if our estimate of the Gross National Product for

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1948 proves to be sound, the percentage (4.2 percent) committed to gifts and loans, while very high compared to even the more expansive years of our peacetime experience, is not unprecedentedly high. It is only moderately higher than the comparable percentage for 1947, and slightly under that for 1919.

Whatever measure of comfort may be drawn from the slim precedents cited above may be discounted by many who hold that the stability of our economy is endangered less by the magnitude of our money commitments than by the export, from our already strained resources, of the additional goods which the Marshall Plan grants will enable Europe to purchase here.

In Table D perspective for judging the size of our export burden is furnished by comparing 1948 prospects, with and without the Marshall Plan, to the record of previous years. Again, the category with which we are concerned — this time it is the annual value of exports — is related to the Gross National Product, or the total value of United States output of goods and services from which exports must be drawn. The estimates given of the value of 1948 exports under the two contingencies are believed to be realistic, but if they carry any bias it probably serves to overstate the 1948 export load, since the figures shown here are substantially higher than the export calculations submitted by the Harriman Committee.

Table D

UNITED STATES EXPORTS COMPARED WITH GROSS NATIONAL PRODUCT

(in billions of dollars)

Year	*Total Gross National Product*	*U. S. Exports of Goods and Services*	
		Value	*Percent of GNP*
1938	84.6	4.2	5.0
1946	203.7	15.3	7.5
1947	231.8 prelim.	19.5 prelim.	8.4
1948			
with Marshall Plan	230 est.	19.0 est.	8.3
without Marshall Plan	230 est.	15.0 est.	6.5
After World War I			
1919	77.9	10.8	13.9
1920	85.0	10.3	12.1
1925–29 average	92.9	6.6	7.1

The above table shows that the value of exports for 1948, even

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if financed by the full Marshall Plan commitment, probably will be slightly lower than it was in 1947, both in absolute terms and as a percentage of the Gross National Product. It should not be ruinous to our domestic economy to ship abroad in 1948 a percentage of our national output which is substantially the same as was exported in 1947, only slightly higher than in 1946, a trifle more than a percentage point higher than the average for the prosperous years 1925 to 1929, and very much lower than the proportion exported in the years 1919 and 1920, immediately following the First World War.

Admittedly, our exports for 1948 must be drawn from a tight supply-demand situation. But the increased demand is due to factors in our domestic economy. If American prosperity collapses in 1948, the disaster can hardly be charged to the relatively temperate and stable pull of exports. Nevertheless, it would be rash to assume that we shall encounter little difficulty in meeting specific export commitments even if there should be conclusive evidence that the general load will be well within our demonstrated capacity. Particular segments of the export program envisaged under the Marshall Plan could still prove to be difficult of execution and might have disruptive effects upon our domestic economy; and there would be small comfort in the assurance that the grand total could be taken in stride if it were differently constituted.

Table E breaks down the prospective flow of exports to the Marshall Plan area in a manner that permits a reasonably detailed appraisal of what we are undertaking for the calendar year 1948. The first column shows, for each of the major categories, the level of our shipments in 1947. The second shows what the Paris Committee considered to be Europe's minimum needs from the United States in carrying a European recovery program forward to the goal of establishing self-sufficiency by the end of 1951. The third sets forth our Administration's estimates of what we would undertake to supply, balancing both our appraisal of European needs and our capacities to meet them in view of our own urgent domestic requirements and the claims of other areas. And the last column shows the percentage of the column two requests that would be satisfied by our column three offerings.

Space limitations and a decent regard for the margin of readership tolerance preclude the possibility of presenting here anything but the most superficial analysis of what Table E reveals in de-

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Table E: ACTUAL U. S. GOODS EXPORTS TO THE MARSHALL PLAN AREA, JANUARY–JUNE 1947, AND 1948 LEVELS REQUESTED BY PARIS COMMITTEE AND ESTIMATED BY U. S. ADMINISTRATION[1]

(in billions of dollars at July 1, 1947, prices)

	January–June 1947 Actual Exports (Annual Rates)	*January–December 1948 Requested by the Paris Committee*	*April 1948–June 1949 Administration Estimates (Annual Rates)*	
			Value	*Percent of Paris Request*
Total U. S. goods exports to Marshall Plan Area	*5.83*	*5.98*	*5.59*	*93*
Programmed by the Paris Committee	*3.41*	*3.86*	*2.93*	*76*
Food, feedstuffs, fertilizer	1.79	1.45	1.12	77
Coal	.27	.31[2]	.31	100
Petroleum and products (from all dollar sources)	.52 est.	.58[3]	.52	90
Iron and steel	.23	.34	.23	68
Timber	.06	.10	.10	100
Machinery, equipment and vehicles				
Agricultural equipment	.05	.37	.11	30
Electrical equipment	.06	.15	.08	53
Coal mining machinery	.03	.08	.07	88
Petroleum equipment		.17[3]	.21[4]	124
Inland transport	.40	.20	.13	65
Steel plant equipment	N.A.	.10	.04	40
Timber equipment	Negligible	.01	.01	100
Not programmed by the Paris Committee	*2.42*	*2.12*	*2.66*	*125*
Cotton	.35	1.83	.46	...
Tobacco	.21		.21	...
Other, unspecified, except machinery	1.10		1.99	...
Miscellaneous machinery and equipment	.76[5]	.29		...

[1] U. S. goods exports to the Marshall Plan Area requested by the Paris Committee over the four-year period 1948–1951 amounted to $20.44 billion (at July 1, 1947, prices). The Administration totals for 51 months through June 1952 as originally presented to Congress amounted to $21.65 billion (at July 1, 1947 prices). After adjustments for our own imports from the area, other western hemisphere trade, changes in price, and non-governmental methods of financing, the requested authorization amounted to $17.0 billion.

[2] Shown on the same basis as Administration estimates, April 1948–June 1949; includes a small amount for dependent territories.

[3] Includes some allowance for dependent territories.

[4] Estimated from the 51-month allowance made by the Administration; includes equipment for U. S. companies operating in the Marshall Plan Area or dependencies.

[5] Including small amounts of steel plant equipment.

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tail. Nevertheless, the following comments may aid the reader in arriving at his own appraisal:

1. The total value of our proposed 1948 shipments to the Marshall Plan area amounts to 93 percent of what was asked, and about 4 percent less than our actual rate of shipments to the area in 1947. The explanation of why the Marshall Plan funds will not increase our 1948 exports beyond 1947 levels lies in the fact that both European and other nations have been making large purchases in our markets from accumulated dollar exchange which now is substantially exhausted.

2. In the categories of goods "programmed" by the Paris Committee — and these represent the items which the participating nations regard as crucially important to their recovery program — we propose to meet only 76 percent of their demand; and in these scarcity categories our 1948 shipments will be 14 percent below what we sent them in 1947.

3. On the "non-programmed" items, we propose to furnish Europe with 25 percent more than was called for by the Paris Committee, with an export rate for 1948 about 10 percent higher than for 1947. In general, our supply-demand situation in these categories is sufficiently comfortable to allow shipments at the proposed levels to be made without hardship, and in some cases with positive advantage to American producers.

4. In general, the categories in which we shall experience the greatest difficulty in meeting our undertakings are identified by low percentage figures in the fourth column. With few exceptions, our decision to supply substantially less than the Paris Committee requested was dictated less by a decision that needs were overstated than by the reluctant conviction that a commitment to supply the full demand would result in serious dislocations in our domestic economy.

The specific items which promise to cause us the greatest difficulty are grains (particularly wheat), nitrogen fertilizer, petroleum products, steel, agricultural equipment, and freight cars (under inland transport equipment). In the remaining categories in which our offerings are sharply lower than the demands — electrical and steel plant equipment — we should be able to fulfill what we are proposing to furnish, if not easily, still without formidable strain.

The thing to remember in weighing the impacts of our commitments in the "critical" fields is that the budgets as drawn repre-

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sent a considered appraisal of what our capacities can support. In just two instances is there marked likelihood that the expert judgments may go seriously astray.

Our undertakings in grain were set at a time when world crop outlooks were far less bright than they are at present. Now that bumper crops from the southern hemisphere are assured, and far larger than previously estimated yields both in Europe and America are in prospect, it should be possible to come closer to filling the urgent minimum needs of western Europe than was supposed. But until the harvest is counted, the gods of weather can always upset the best laid plans of mice or men.

The other field of major uncertainty is petroleum. Here the hazards are largely political. European recovery depends essentially upon a recuperation of energy — food for human energy, and fuel to stoke the fires that power the turning of wheels. Europe must place an increasing reliance upon petroleum to piece out what, at best, is a coal supply which is inadequate to prospective needs. Although a relatively small amount of petroleum products is scheduled to move to Europe directly from the United States, a considerably larger amount will be drawn from the Caribbean area whence we derive an important share of our own supply. Even so, our current supply is seriously below present demands. If the quotas of oil that Europe is expecting to obtain from Middle Eastern sources are blocked or seriously reduced by political disturbances, the whole energy economy of the world will be thrown disastrously off balance.

V. CONCLUSION

Readers who have had the patience to bear with this examination of particulars are entitled to some respite in the form of a brief conclusion.

The aid that will be extended to western Europe through the Marshall Plan is thoroughly justified by the needs of that area and is well within the capacity of the United States to provide. In even the more difficult segments of the program, what we propose to do in the coming year should not prove to be formidably harder than what we have done in 1947.

A considered examination of our 1948 commitments supports the conclusion that their probable distortion of our domestic economy has been overstated to the American public. There seems to be little justification for the frequently heard insistence

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that to meet the requirements of the Marshall Plan we shall have to reinstitute such wartime controls as price-fixing, rationing and allocation of materials.

While there is room for legitimate differences of opinion upon such important matters as the administration of the program, the degree of control that we should attempt to exercise over Europe's use of the aid supplied, and whether the major portion of our assistance should be offered as a gift or paid for in national currencies held to our account under appropriate restrictions, none of these differences of opinion is sufficiently decisive to justify making it a partisan issue. There is little wisdom in falling into a frustrating dispute over the design of a spoke in the wheel of a vehicle which is essential to our use but can carry us only one leg of a long and arduous journey.

The goal's the thing! If we in this country can agree that it is our continuing objective to help Europe attain such a degree of effective unification that she can hope to avoid the recurrence of war, we shall have advanced far on the road to political maturity. Perhaps the most cogent measurement which the Marshall Plan will provide is whether or not this nation has the capacity to pursue undeviatingly a unified aim.

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THE PROMISE OF HUMAN RIGHTS

By Mrs. Franklin D. Roosevelt

THE real importance of the Human Rights Commission which was created by the Economic and Social Council lies in the fact that throughout the world there are many people who do not enjoy the basic rights which have come to be accepted in many other parts of the world as inherent rights of all individuals, without which no one can live in dignity and freedom.

At the first meeting of the Economic and Social Council in London, early in 1946, a Nuclear Commission was named to recommend a permanent setup for the full Commission of Human Rights, and to consider the work which it should first undertake. These first members of the Nuclear Commission were not chosen as representatives of governments, but as individuals. Naturally, however, each government was asked to concur in the nomination from that country. There were nine members nominated, but two of them were not able to come; and one or two nations insisted on nominating their own representatives. I was one of the members of the original Nuclear Commission, and when we met at Hunter College, I was elected chairman. The other members were: Mr. Fernanda de Husse, Belgium; Mr. K. C. Neogi, India; Professor René Cassin, France; Dr. C. L. Haai, China; Mr. Dusan Brkish, Jugoslavia; Mr. Borisov, U. S. S. R.

The representative from the U. S. S. R. was at first a young secretary from the Soviet Embassy. The other members of the Nuclear Commission did not realize that he was not the regular representative and was not empowered to vote. It was not until three days before the end of the meeting that the regular member, Mr. Borisov, arrived; and then we discovered that the representative of the U. S. S. R. who had been attending the meetings actually had had no right to vote, and such votes had to be removed from the record. The Commission was a little disturbed because a number of concessions had been made in order to obtain unanimity. Also, this change made it impossible for any decision to be unanimous, since the Soviet representative had been told that he could not commit his government by a vote on any subject and therefore registered no vote on the first recommendations for the Commission's organization and program of work.

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The Commission made a number of recommendations. For instance, we agreed that persons should be chosen as individuals and not merely as representatives of governments. We agreed that there should be 18 members of the full Commission — an example of a minor point on which we had made concessions to the representative of the U. S. S. R., because originally the various members of the group had differed as to what the proper size of the Commission should be. I had been told that it made very little difference to the United States whether the Commission numbered 12 or 25, but it was felt the number should not be less than 12 because unavoidable absences might cut it down to too small a group; and it was felt also that the number should not be more than 25, for fear a large group might make our work very difficult to accomplish.

When I found out how many varieties of opinion there were, I made the suggestion as chairman that we might make the number 21, since we were apt to discuss some rather controversial subjects, and if there was a tie the chairman could cast the deciding vote. Most of the members agreed with this until we came to the representative of the U. S. S. R. He insisted that we should be 18, because our parent body, the Economic and Social Council, was made up of 18 members. As we did not feel that the size of the Commission was vitally important, and as he could not be induced to change, we agreed to recommend that the Commission consist of 18 members.

Among a number of other recommendations in our report we suggested that the first work to be undertaken was the writing of a Bill of Human Rights. Many of us thought that lack of standards for human rights the world over was one of the greatest causes of friction among the nations, and that recognition of human rights might become one of the cornerstones on which peace could eventually be based.

At its next meeting the Economic and Social Council received our report, which I presented, and it was then studied in detail and a number of changes were made. The members of the Commission were made government representatives, chosen by their governments. The 18 governments to be represented on the Commission were chosen by the Economic and Social Council. The United States was given a four-year appointment and my government nominated me as a member. At present the following are represented on the Commission: Australia, Belgium, Byelorussia,

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China, Chile, Egypt, France, India, Iran, Lebanon, Panama, the Philippines, Ukraine, the U. S. S. R., Jugoslavia, Uruguay, the United Kingdom and the United States.

The first session of the full Commission was called in January 1947. The officers chosen at that time, in addition to myself as permanent chairman, were Dr. Chang of China as vice-chairman and Dr. Charles Malik of Lebanon as rapporteur. In that first meeting we requested that the Division of Human Rights in the Secretariat get out a yearbook on human rights, and receive all petitions and acknowledge them. Since we were not a court, we could do nothing actually to solve the problems that these petitions presented, but we could tell the petitioners that once the Bill of Human Rights was written, they might find that their particular problems came under one of its provisions.

We considered some of the main points which should go into the drafting of the Bill of Human Rights, and we named a drafting committee which should present the first draft to the next meeting of the full Commission. This work was entrusted to the officers of the Commission, all of whom were available in or near Lake Success, and to Dr. John Humphrey, as head of the Division of Human Rights in the Secretariat. But when the Economic and Social Council received the report of this procedure considerable opposition to the appointment of so small a committee was expressed. As it had been understood in our meeting that the chairman of the committee was to call upon other members of the Commission for advice and assistance, I at once urged that the drafting committee be increased to eight members. This was done.

The drafting committee then met in June 1947. The delegate from the U. S. S. R., Mr. Koretsky, and the delegate from Byelorussia, neither of whom was authorized to vote on an unfinished document and both of whom lacked instructions from their governments, participated very little in the general discussion of the drafting committee, though they did agree to the principles that all men are equal and that men and women should have equal rights. The second meeting of the full Commission was called in Geneva, Switzerland, because some members felt strongly that the Human Rights Commission should hold a session in Europe. We were scheduled to meet on December 1, 1947, but as many of the members were delayed in arriving we actually met on December 2.

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We mapped out our work very carefully. The position of the United States had been that it would be impossible in these initial meetings to do more than write a Declaration. If the Declaration were accepted by the General Assembly the next autumn, it would carry moral weight, but it would not carry any legal weight. Many of the smaller nations were strongly of the opinion that the oppressed peoples of the world and the minority groups would feel that they had been cruelly deceived if we did not write a Convention which would be presented for ratification, nation by nation, and which when accepted would be incorporated into law in the same way that treaties among nations are accepted and implemented. The Government of the United States had never, of course, been opposed to writing a Convention; it simply felt that the attempt would not be practical in these early stages. When it was found that feeling ran high on this subject, we immediately coöperated.

The Commission divided itself into three groups. The group to work on the Declaration consisted of the representatives of Byelorussia, France, Panama, the Philippines, the U. S. S. R. and the United States. The group to work on the Convention was made up of the representatives of Chile, China, Egypt, Lebanon, the United Kingdom and Jugoslavia. The third group, to work on methods of implementation, which would later, of course, be included in the Convention, consisted of the representatives of Australia, India, Iran, Ukraine and Uruguay.

At the first meeting of the Commission, the representative from Australia made the suggestion that a Court of Human Rights be created. There had been a good deal of discussion of this idea in previous meetings. The general feeling was, however, that this action could not be taken under the Charter as it now stands and would raise the problem of revision of the Charter.

At the start, the United Kingdom had brought to the drafting committee a Declaration and a Convention which included suggestions for implementation. The U. S. S. R., while still not committing itself to any vote, as the Soviet Government still insisted that until a finished document was prepared they could not vote on it, nevertheless was willing to participate in the discussions which concerned the writing of a Declaration. Their representative took an active part, particularly in the discussion and formulation of the social and economic rights of the individual which are considered in some detail in the Declaration.

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This was a hard-working committee, and I was extremely gratified both at the willingness of the members to put in long hours and at the general spirit of coöperation. In spite of the fact that a good many of the members must frequently have been very weary, there was always an atmosphere of good feeling and consideration for others, even when questions arose which called forth strong differences of opinion.

We finished our work at 11:30 P.M. on the night of December 17, and I think the documents which have now gone to all of the member governments in the United Nations are very creditable. A Declaration and a Convention were written. The group working on implementation made suggestions which, of course, must be more carefully considered before they are finally incorporated in the Convention. We now await the comments. These were requested by early April, so that the Human Rights Division of the Secretariat could go over them carefully and put them in shape for the drafting committee which will meet again at Lake Success on May 3, 1948.

The full Commission will meet at Lake Success on May 17, to give final consideration to this Bill of Human Rights, or Pact, as our Government prefers to have it called. The Economic and Social Council received the report of the documents written in Geneva, and sent them to the governments in January. They will now make their comments and suggestions. The final opportunity for consideration by the Economic and Social Council will come at its meeting next July, and the pact or charter which is finally adopted at that meeting will be presented to the General Assembly in the autumn of 1948.

II

Three Articles in the Declaration seem to me to be of vital importance. Article 15 provides that everyone has the right to a nationality; that is, all persons are entitled to the protection of some government, and those who are without it shall be protected by the United Nations. Article 16 says that individual freedom of thought and conscience, to hold and change beliefs, is an absolute and sacred right. Included in this Article is a declaration of the right to manifest these beliefs in the form of worship, observance, teaching and practice. Article 21 declares that everyone, without discrimination, has the right to take an effective part in the government of his country. This aims to give assur-

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ance that governments of states will bend and change according to the will of the people as shown in elections, which shall be periodic, free, fair and by secret ballot.

Some of the other important Articles are broad in scope. For instance, Article 23 says that every one has the right to work, and that the state has a duty to take steps within its power to ensure its residents an opportunity for useful work. Article 24 says that everyone has a right to receive pay commensurate with his ability and skill and may join trade unions to protect his interests.

Other Articles in the Declaration set forth rights such as the right to the preservation of health, which would give the state responsibility for health and safety measures; the right to social security, which makes it the duty of the state to provide measures for the security of the individual against the consequences of unemployment, disability, old age and other loss of livelihood beyond his control; the right to education, which should be free and compulsory, and the provision that higher education should be available to all without distinction as to race, sex, language, religion, social standing, financial means or political affiliation; the right to rest and leisure — that is, a limitation on hours of work and provisions for vacations with pay; the right to participate in the cultural life of the community, enjoy its arts and share in the benefits of science. Another Article asserts that education will be directed to the full physical, intellectual, moral and spiritual development of the human personality and to combatting hatred against other nations or racial or religious groups.

If the Declaration is accepted by the Assembly, it will mean that all the nations accepting it hope that the day will come when these rights are considered inherent rights belonging to every human being, but it will not mean that they have to change their laws immediately to make these rights possible.

On the other hand, as the Convention is ratified by one nation after another it will require that each ratifying nation change its laws where necessary, to make possible that every human being within its borders shall enjoy the rights set forth. The Convention, of course, covers primarily the civil liberties which many of the nations of the world have accepted as inherent rights of human beings, and it reaffirms a clause in the Charter of the United Nations which says that there shall be no discrimination among any human beings because of race, creed or color.

The most important articles of the Convention are subjects

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with which every American high school student is familiar. Article 5 makes it unlawful to deprive a person of life except as punishment for a crime provided by law. Article 6 outlaws physical mutilation. Article 7 forbids torture and cruel or inhuman punishment. Article 8 prohibits slavery and compulsory labor, with exceptions permitted as to the latter in the case of military service and emergency service in time of disaster such as flood or earthquake.

A provision which is new in an international constitutional sense, though not new in practice to Americans, is Article 11, which guarantees liberty of movement and a free choice of residence within a state, and a general freedom to every person in the world to leave any country, including his own. Article 20 makes all sections of the Convention applicable without distinction as to race, sex, language, religion, political or other opinion, property status, or national or social origin; and Article 21 requires the states to forbid by law the advocacy of national, racial or religious hostility that constitutes incitement to violence. In general, every nation ratifying the Convention will have to make sure that within its jurisdiction these promised rights become realities, so it is the Convention which is of the greatest importance to the peoples throughout the world.

A possible stumbling block to general ratification of the Convention is the fact that some federal states, like the United States, operate constitutional systems in which the primary laws affecting individuals are adopted by the constituent states and are beyond the constitutional power of the federal government. The Convention provides, in Article 24, that in such cases these federal governments shall call to the attention of their constituent states, with a favorable recommendation, those Articles considered appropriate for action by them.

One of the questions that will come before the Human Rights Commission in May is whether all the Articles included in the Convention shall be submitted to the various nations for ratification in a single document, to be taken all in one gulp, so to speak, or shall be divided into separate conventions, in the thought that this procedure would avoid the rejection of the entire document because of objection to one or two Articles, as might happen in many cases. Of course, it is quite evident that in the future there will have to be many conventions on special subjects, and that the work of the Human Rights Commission

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should be directed for years to come to those subjects as they arise. A convention on the subject of nationality and stateless persons seems to be knocking at our doors for consideration almost immediately.

III

As I look back at the work thus far of our Human Rights Commission I realize that its importance is twofold.

In the first place, we have put into words some inherent rights. Beyond that, we have found that the conditions of our contemporary world require the enumeration of certain protections which the individual must have if he is to acquire a sense of security and dignity in his own person. The effect of this is frankly educational. Indeed, I like to think that the Declaration will help forward very largely the education of the peoples of the world.

It seems to me most important that the Declaration be accepted by all member nations, not because they will immediately live up to all of its provisions, but because they ought to support the standards toward which the nations must henceforward aim. Since the objectives have been clearly stated, men of good will everywhere will strive to attain them with more energy and, I trust, with better hope of success.

As the Convention is adhered to by one country after another, it will actually bring into being rights which are tangible and can be invoked before the law of the ratifying countries. Everywhere many people will feel more secure. And as the Great Powers tie themselves down by their ratifications, the smaller nations which fear that the great may abuse their strength will acquire a sense of greater assurance.

The work of the Commission has been of outstanding value in setting before men's eyes the ideals which they must strive to reach. Men cannot live by bread alone.

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AUSTRIA HOLDS ON

By Karl Gruber

IF THE occupation armies in Europe are compared with a lance, the point of the lance is in Austria. You cannot simply cut the shaft of this lance; the point must first be withdrawn. Today, point and shaft both remain. There will be no real peace in any part of this area so long as there are troops in Austria.

Peace cannot be restored in fragments; this is now so clear as to need no further demonstration. Such progress as has been made has been the result chiefly of concessions by the west. The troops of the western Powers have been brought home from Italy, but the Russian troops have been left in strategic positions in central and eastern Europe.

To "make peace" means to restore normal conditions in the world. But it seldom is possible to resume peaceful pursuits at the point where they were dropped. Thus to normalize conditions means more than to restore things as they were. The world agrees, for example, that the abolition of Nazism and the prevention of aggression are essential for peace. But what conditions should the victorious Powers create in the countries for which they are responsible in order to make these objectives likely of attainment?

In the western view, for instance, aggression remains a possibility so long as democracy is absent: a government which can act independently of the will of the people slips easily into the paths set by its own ambition. In the view of the east, on the other hand, the possibility of conflict lies in a lack of social progress. Communism holds that not dictators but capitalists, *i.e.* the exponents of private enterprise, are responsible for unrest and wars. Which, then, are to be taken as the decisive factors of peace and progress? Are they democracy and freedom in the body politic? Or are they the nationalization of industry and social-economic equality? Is America the ideal state which reconstruction efforts should emulate — or England, or France? Or is Russia the ideal state? It seems obvious that the two ideals cannot be pursued simultaneously.

At one conference after another the political experts of four governments tried to solve the problem of obtaining a "glowing

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moisture" by mixing fire and water, that is to say, by combining American and Russian ideals; and finally the experiment was abandoned as futile. In view of that failure, one possible procedure is to leave each nation to decide the kind of political and social organization it will have. This formula is not practicable, however, if the people in question are looked upon as a danger to peace; nor is it acceptable, even for a peaceful people, if there is likelihood that the nation as a whole will be coerced by an aggressive minority backed by outside force. The other alternative, when the Great Powers fail to agree on how to organize the house which they are occupying together, is for each Power to organize its own part of the house according to its own ideas. This may be preferable to anarchy. But is it suitable in Austria? Since Austria constitutes no danger to peace, and since the Austrian people have already, on their own initiative, chosen to organize their homeland on the principles of democracy and freedom of the individual under law, it scarcely seems appropriate or useful.

In order to bring out more clearly what policy is now advisable in regard to Austria, let us examine certain major aspects of the problem. There is no need to waste words about the importance of Austria's geographic position. She separates the Germans from the Italians and the Slav nations from the western nations; she commands the passes of the Alps and the entrance to the Danube basin. Politically and culturally, Austria has been a region of first importance in central Europe throughout the history of the Continent. No wonder Russia regards the idea of withdrawal from the Vienna area as a great concession!

The greater part of Austria's economic assets are to be found in her eastern regions. Indeed, it is not too much of an exaggeration to say, in the current Viennese witticism, that the Russians have Austria's industry and the western Powers have the scenery. In the case of Germany, division into zones is a misfortune but not a fatal injury. The center of the German economy lies in the Ruhr; German cultural life is focussed in the west; and the great majority of Germans have their homes there. The present truncated body of western Germany could at least exist. But in Austria the cow is, so to speak, standing the other way round: the economic and cultural centers of Austria lie in the eastern part of the country. Moreover, Austria is not so much the home of a distinct race as it is an individual entity moulded by the past thousand years. The soul of Austria is in her tradition and way of

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life. Such a country cannot be chopped into pieces and survive. It sometimes happens in the Alpine forests that a trapped fox gnaws his leg off in order to live in freedom, even as a cripple; but no fox whose muzzle was caught in the trap could gnaw his head off. A beautiful countryside can hardly be converted into a separate entity. If a European — or at least a western European — customs union could be speedily developed, matters might be different. The economic collaboration of Austria with one particular area alone, however, would be bound to lead her quickly to complete dependence upon that area. If such a state of affairs lasted for any length of time, a series of evils might ensue which only another war could remedy, as we saw in the recent past.

The Austrian questions which are of vital importance are, therefore, not only matters of principle but problems of time. They can be understood only in relation to recent events. Modern technical progress has furnished the state with increasingly effective methods of control over its own citizens. This makes it vital to *preserve* democracy. The establishment of a Communist dictatorship is an irrevocable action, not to be undone except with outside aid. You cannot fight planes and tanks today at the barricades with firearms. A decision which would subject a part of Austria to the dictatorship of the small Communist minority would be a cause of utter dismay for every Austrian statesman. The "killer" mentality means that once they had obtained power, they would hold on to it by any and all means. Nobody can blame the Austrian Government for resisting such a development with the utmost energy.

II

A speedy liberation of all of Austria would be in the general interest of Europe and would promote the special interests of each of the Great Powers as well, of course, as Austrian interests. Its achievement would justify certain risks and sacrifices. Only when this principal question of liberation has been answered in the affirmative can a serious effort be made to judge the conditions which would justify the conclusion of an Austrian treaty. It is comparatively simple, of course, to formulate the conditions of such a treaty in abstract terms: territorial integrity, political freedom, a sound economy. But to give them concrete expression requires consideration of much more than mathematical factors.

One of the main stumbling blocks to the conclusion of an

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Austrian peace treaty so far has been the question of the "German assets" in Austria. The Soviet Union, due to a lack of interpretation of what should be regarded as "German assets," has claimed property which legally belonged to Austria until 1938 and was taken over by Germany only under duress. To support its claims the Soviet Union is able to cite the Potsdam Agreement. Although the Great Powers dislike open criticism from representatives of small countries, I cannot refrain from calling the article of the Potsdam Agreement describing "German assets" a diplomatic blunder. Neutral countries, countries which shared in aggression, and finally Austria, were lumped together on the same list. Austria was the first victim of Hitler's aggression, and in that moment lost her legal status and existence. There ceased to be an Austrian Government. For seven years Austria was subjected to a systematic policy of German economic penetration and was governed as an integral part of the German Reich. Would it make any sense to declare that, say, Bavaria is a "German asset," and to seize it lock, stock and barrel, for reparations payments? The claim to "German assets" in Austria in the form in which the Soviet Union has put it forth is not quite comparable to that, but it is still illogical enough.

The lack of precision in the wording of the Potsdam Agreement is baffling. The western Powers insist today that the principles of the London declaration regarding occupied territories are implicit in it. The Soviet Union, however, does not agree, and two years of discussion have been necessary to clarify the Potsdam declaration to some degree. Its main principle is plain, at any rate: whatever rights the Soviet Union may have acquired to "German assets," these rights cannot exceed the rights of the previous German owner of such property. At present the legal status of German property in Austria is based on its legal status prior to 1938. It is hard to see how any claim to a right to change this legal basis could be said to be supported by the Potsdam declaration. Indeed, for such claims to be raised makes one wonder about the effectiveness of our system of international law.

The absence of precise definitions in the Potsdam declaration makes it infinitely difficult to agree upon a principle for determining the amount of "German assets" to be transferred to the U.S.S.R. The French proposal submitted to the London Conference is, in the main, based on a lump-sum agreement. It tries to find a way out of the maze of definitions by changing the basis of

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the discussion, *i.e.* by avoiding the effort to agree on a legal principle. But this inevitably gives rise to two questions: (1) How much can Austria's economy pay without grave danger to her political, economic and social life? (2) What key positions in Austrian life will be held by one or the other of the Powers as a result of the transfer of German property, and how will these be used? The answer to the latter question cannot be made only in mathematical terms; it must also take into consideration the country's over-all political and economic situation. In particular, one factor of great importance must be borne in mind. Foreign property in Austria which is subject to Austrian law is not a threat to Austria's independence, but property held by a foreign Power regardless of its status under Austrian law would be extraterritorial property. The history of imperialism suggests how serious a danger to a country's sovereignty is the assertion by another Power of extraterritorial rights.

III

Austria's internal affairs have been stable since the war ended, differing markedly in this respect from the situation in Hungary, Bulgaria or Rumania. This is partly because Austria's cultural tradition keeps her from being susceptible to the Communist creed, partly because the distribution of land in Austria is the soundest in Europe — Communism has no chance in the Austrian village. Moreover, the structure of the political parties is simple and distinct. Both the big parties are agreed on all fundamental questions, and they represent 95 percent of the population. What is very important, too, the key positions, especially those having to do with public safety, are in the hands of democratic forces. In the course of an attack lasting three years, and under economic conditions most unfavorable to the existing government, Communism has made no progress.

How dependent is Austria on the Danube area? Nobody can deny that the old "Monarchy on the Danube" formed an unusually favorable economic unit. This was in part the result of a specific political system, which, however, cannot easily be replaced. Only a long period of political education could bring the member nations together again.

The countries of the Danube area are no longer purely rural countries with a large agricultural surplus, as is often erroneously supposed. But though trade relations within the area are im-

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portant, no economic union appears practicable so long as the present acute political tension continues. A Communist Austria as part of a Communist-directed Danubian area is at least conceivable. But the idea of a free democratic Austria fitted economically into a Communist Danube region is absurd. All long-range plans for organizing Austria in the Danube area must therefore be postponed until the United Nations organization is capable of taking over the defense of the internal affairs of small states against outside interference. In a short-term view, Austria is far from dependent on the Danube area; in the long run, her relationship with the other states of the area will certainly not be unimportant. However, the political and economic problems of the next five years must be solved before we can solve those of the next 25.

Three points may be made in this connection: (1) It is extremely desirable to increase Austria's trade with the countries of the Danube area, because this not only would improve Austria's economic situation but also, to a certain degree, would improve the economic situation of western Europe. (2) At the moment, this trade is limited because no surplus is available for export on either side.[1] (3) Austria's dependence upon trade in the Danube area is not sufficiently great to make it an effective weapon against her in the hands of anybody in that area who wanted to pursue an imperialistic policy.

After all, Austria was never supplied with anything free of charge; she gave important industrial products in return for what she received. The countries of the Danube area need these products just as badly as Austria needs theirs. Once Austria gets to her feet, she could probably stand up against an economic war from this direction with less help from outside than she is receiving now. But such an economic war seems very unlikely. The ever-present danger to Austria is that of aggression by military forces.

Has the world realized that peace is indivisible, and that if there is to be peace anywhere military imperialism must be stopped wherever it attacks? The democratic forces in Austria are in the front line. They are holding on, in the hope that the universal answer to the question is "Yes."

[1] Incidentally, trade with these countries never made up more than 38 percent of Austria's trade balance during the best years between 1918 and 1938, and tended to decrease as a result of their growing industrialization. In the last three years there has been practically no trade along the Danube.

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IV

It is open to debate whether there is an intention on all sides to conclude a treaty with Austria, and it therefore becomes advisable to consider now what should be done if, by the imposition of intolerable terms, the conclusion of a treaty is made impossible.

One proposal is that, in such case, the western Powers and Austria should conclude separate treaties. For several reasons this would not be practicable. The present draft Treaty is in itself the product of a policy of the Great Powers toward Austria which has gone astray in principle. The compensation for the disadvantage of the Treaty is that it would bring about the immediate evacuation of Austria by all occupation forces.[2] This advantage would be lost if separate treaties were made with the west; no reasonable person could advocate a one-sided withdrawal of troops. Separate treaties would further the disintegration of Austria.

Should it become obvious that the Soviet Union is not disposed to agree to an Austrian treaty unless a fundamental change in the situation has taken place, then the United States and, let us hope, the other western Powers also, should fundamentally revise their policy in Austria. This revision, however, could only lead to a solemn declaration to the effect that a small country deprived of its government cannot be held responsible for the action of its citizens who were pressed into the service of a foreign war machine. This would be consistent with the treatment of other conquered countries, big and small. Austria should be looked upon as a free nation, whose status does not differ from that of Belgium or Czechoslovakia and whose rights are not impaired. The idea that Austria's armaments ought to be limited in order to control the German capacity for armaments has already once proved to be sheer nonsense; indeed, it merely furthered German aggression. For economic reasons Austria will never have more than a small army for self-protection. It would be indefensible to adopt a policy which would merely degrade her.

Austria needs no treaty to adjust her free and independent existence. An agreement on evacuation between the occupying Allied Governments is necessary only because the maintenance of occupational forces is not based on international law. The question of German property should not be dealt with in the treaty

[2] Article 33 requires that they leave not later than 90 days after the Treaty goes into effect.

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with Austria at all. This property should be defined in the German peace treaty, which should also say expressly that Germany's acts of economic penetration in Austria are null and void. This fundamental revision of policy toward Austria ought to be combined with economic help as provided by the European Recovery Program.

In addition, the western Powers should emphasize four things: 1, that the revival of a free and independent Austria is an important objective of their future policy; 2, that they will never agree to the annexation of Austrian territory by a foreign Power; 3, that they are themselves ready to evacuate Austria at the time the Soviet troops leave; 4, that a further occupation of Austrian territory constitutes a violation of international law, which — sooner or later — must be taken up by the United Nations as a factor disturbing peace.

Such a policy cannot give immediate practical relief to Austria. It would, however, give the Austrians the mighty moral backing which they need to carry on, and it would give them a firm hope for a better future. This better future will come when the development of the United Nations puts an end to the use of naked force as an instrument of international policy. When that happens, Austria will finally be really free.

Austria will not — indeed she cannot — tread the path of political adventure. Her ambition is to prove to the world that a country with a strong cultural tradition and a sound way of life can live on respectable terms with other nations — in short, can "live and let live." The pursuit of this ambition will always put her foremost among those nations which desire a greater degree of world unity. Disregarding the reactionary slogans which can be heard from certain quarters, the Austrian people are convinced that only a speedy advancement of international collaboration, the reduction of economic barriers, and the creation of a real world organization in which every nation takes part according to its abilities can inaugurate a new period of progress.

The Austrian people thankfully acknowledge the flow of help from the United States. They will uphold the banner of freedom. They will insist that their government submit to their judgment in every election, and that any government which has lost their confidence must make way for a new one.

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THE PLOT AGAINST GREECE

By A. C. Sedgwick

SHOTS are being fired and men killed in Greece in the same war which elsewhere is waged with words — a war between eastern totalitarianism and western democracy. In Greece this conflict began in the darkness of Axis occupation during World War II, and has never stopped. Each day there is some violence to report. A guerrilla group — a lawless element acting nonetheless under the strictest discipline and directed by a *Kapitanios*, or political commissar — attacks and destroys some Greek village — a unit of society organized according to a pattern familiar and human. Each day men and women are enticed to take a part in a new type of society coldly disciplined and fiercely aggressive; or if they decline are abducted and forced to do so.

Every outbreak of fury, be it the skirmish over a village, a railroad, a powerhouse or a gendarmerie post, or a more ambitious attack on a town, illustrates the method this totalitarian system uses — the spread of terror. Its specific purpose is to dismember Greece, the last free country between the Baltic and the Aegean, and bring it piecemeal into the Russian-controlled Balkan group. Each day the Greek armed forces give battle. Each day Greece loses some of her lifeblood in the process. Each day her ability to resist is impaired. Nearly half a million of Greece's total population of about 7,000,000 have become victims of guerrilla excesses. Most of them are women and children, now homeless and hopeless, trekking from town to town and village to village. During January, according to the Ministry of Social Welfare, the impoverished Greek Government has had to spend the sum of $3,800,000 on alms to this army of afflicted souls.

As each day brings evidence of increasing determination on the part of these predatory forces, it is more apparent that this is a grave and even desperate situation which menaces the entire world. No entreaties have served to bring these attacks to a halt. A U.N. subcommittee has again found what a similar body found nearly a year ago, namely, that this subversive movement is being helped from abroad. Yet the nations accused of complicity have answered by defying the authority of the United Nations. Russia knows well the strategic importance of the Greek peninsula,

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jutting into the eastern Mediterranean. She bides her time. Meanwhile, from Rumania, Hungary and even as far afield as Czechoslovakia and Poland come reports of sentiment being stirred up for "Free Greece" (self-announced to the world on Christmas Eve, 1947) and of recruiting for "General" Markos Vafiades' army.

Greece knows her predicament, and her army knows that a formal invasion following the present destructive but small-scale incursions is possible, and may be impending. Outnumbered more than ten to one by the combined forces of the countries to the north, the Greek Army would fight. But Thrace would probably be wrested from her in an afternoon and Macedonia overnight, and the rest of the country would succumb, sooner or later, even if not invaded, for want of these productive provinces. Were America and Great Britain to intervene at a time when Greece and her northern neighbors were engaged in a "localized" war, would not Russia be bound to take a similar course? In short, if such an invasion is not forestalled, we shall have to choose between looking the other way while Greece is crushed or risking open war.

Our present program in Greece offers us our only chance to escape such a dilemma. The Greek Army is patriotic and has shown the world that it can fight. Despite losses, despite long periods of enlistment, its morale remains high. It has arms sufficient for its present establishment of about 132,000, though that is not enough for the defense of a thousand-mile border. Until the first part of January of this year American military advice was limited to matters of supply and logistics. Since then its scope has been enlarged to cover actual military operations. We have officers attached to the Greek fighting units who take the risks of war.

Our safety and the safety of Great Britain and her Commonwealth are inextricably involved in the question of the freedom and security of Greece. If Greece were abandoned by the United States and Britain today, she would be in the hands of the Cominform tomorrow. Turkey would then be encircled and the Dardanelles turned. Mideastern lands wherein the United States has oil interests of paramount importance to our armed services (not to mention our peacetime needs) would no longer be approachable from the west. The Russian navy would dominate the whole of the eastern Mediterranean in a short time, and it is reasonable

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to suppose that the Russian air force would achieve ascendancy above it. The Red Army would hold Suez, control the Arab states, and in due course the whole Moslem world. Africa would be open to Soviet expansion almost as rapid as armored cars can cross the sandy stretches. The Dakar bulge, of such importance to us in the last war, would be in our enemy's hands in the next. Our hemisphere would be in a state of siege.

A brief might well be held for making over to the Greek armed forces the entire $300,000,000 pledged to Greece from the United States, instead of the approximately third of that sum so allocated; but the fact is that large expenditures must be made for civil rehabilitation or the Greek economy will collapse. If it does, Greece will fall prey to aggression without the need of invasion or even of much more shooting by Markos' guerrillas.

II

Since it is fashionable in some quarters in America to disparage Greece, let us review certain facts which underlie the present situation.

On October 28, 1940, Italy attacked Greece and was defeated in the mountains of Albania. The following April, Germany invaded, with Bulgaria as an accomplice. Greece resisted, and paid for valor. The price list follows, in part, as officially given: war losses, 30,000 killed; dead through famine, 360,000; executed by Germans and Italians, 43,000; executed by Bulgarians, 25,000; hostages, 45,000; homeless, 1,200,000; towns, villages ruined, 3,700. By the end of the war the Greek population was reduced by 7 percent. All that was left of the Greek Army that had beaten Italy were a few battalions mustered in the Middle East. The navy was destroyed, but sailors fought on in ships provided by the British. The air force was also destroyed, but airmen likewise fought in British planes.

On the economic side, inflation scientifically planned by the Germans ruined the monetary system. In 1939 the national wealth and national income were reckoned to be $3.4 billion and $510,400,000 respectively. In 1944 they were estimated at $1,456,000,000 and $217,600,000. The damage to the industrial plant is estimated at $40,000,000. The Greek merchant marine, which ranked ninth in the world with a total of 1,697,986 tons and was the main source of the nation's foreign exchange, was almost completely wiped out; over a million tons were sent to the

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bottom. Rolling stock, too, was almost totally destroyed; and 60 percent of the railroad tracks, 60 percent of the telephones, 75 percent of the telegraph wires and installations were wrecked. All big bridges and tunnels, which can be replaced only at tremendous cost, were utterly demolished, and 60 percent of the roads were rendered impassable by demolition. Harbor installations were destroyed *in toto*.

The above figures are set down here, not because the writer thinks they have not been published before, but precisely because he knows that they have been. For the astonishing fact is that though it is fairly well known that Greece suffered especially grievous damage in the war, and fought gallantly, she has received generally unsympathetic treatment in press and radio reports ever since the liberation in October 1944. There has been a campaign against Greece marked by a peculiar spite, the two complementary aspects of which are armed violence and a relentless campaign of psychological warfare. Let us list and briefly comment upon the main items in the indictment of Greece by the enemies of the Greek nation, which has so astonishingly been parroted abroad.

The first is that Greece is Fascist. But the charge is self-refuted by the fact that those who bring it also complain of the obstreperousness of the press and of disunity in parliament, the very symbols of free government.

The second charge is that Communists were always excluded from post-liberation governments. But in fact the representation of EAM (*Ethinikon Apelephtherotikon Metopon*), or National Liberation Front, was six out of 25 in George Papandreou's first government. Two of them were avowed Communists, Ioannis Zevgos, Minister of Agriculture, and Miltiades Porphyrogenis, Minister of Labor. The latter, it is interesting to record, is at present Minister of Justice in the "Free Government."

The third charge is that the "civil war" which broke out on December 3, 1944, resulted from the unprovoked firing on an unarmed crowd by the Athens police. The truth is that grenades had been thrown against the Prime Minister's house by the "unarmed crowd" and there had been an attempt to disarm the police. Two days before, on the evening of December 1, Zevgos had actually announced the insurrection, which was already planned. Writing in the Communist daily, *Rizospastis*, he said: "The day has come for our powder-blackened guns to speak."

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The fourth charge is that the elections held on March 31, 1946, were a fraud. But these elections had been supervised by an Allied mission, including highly competent and disinterested Americans, which subsequently pronounced them fair. For weeks the Communist Party and its affiliates had insisted that their followers abstain from voting. On election day, according to the Commission's analysis, from 9.3 percent to a maximum of 15 percent of the voters stayed away from the polls. This represented the strength of the anti-national Left Wing.

There are two further charges, relating to alleged corruption in Greece and to the question of the monarchy, which require examination at somewhat greater length. A familiar count in the indictment under the head of corruption is the oft-heard charge that UNRRA goods are being hoarded, and luxury products are being brought in, while the importation of essential items is ignored; such misfeasance, it is said, is due to the venality of the government, which desires to bestow special blessings upon greedy industrialists and merchants. The truth is that on December 15, 1947, the Bank of Greece figures showed that 2.4 percent of UNRRA goods received remained undistributed. Investigation shows that some of this consisted of farm machinery which arrived without spare parts, some spare parts which arrived without the machinery, and some machinery which is unsuitable for the farming conditions in Greece. Some of the undistributed material was footwear totally unsuitable for peasant folk. A certain quantity of medicines were brought in for which the local medical profession, schooled in a different tradition from the American, had no use at all. Some of the material was fishing equipment priced beyond the means of the average fisherman and held against credit furnished by the Agricultural Bank.

At the London Conference in January 1946, it was agreed to place on the market in Greece a certain amount of luxury importations. These imports were made not with state foreign exchange, but with exchange privately owned abroad. It was part of an effort to get trade going again. In general, the Greek Government tried to take the "free enterprise" approach to postwar economic problems, as did Belgium, for example (where it seems to have been very successful), or the United States. This is not necessarily a sign of moral turpitude; nor, considering the terribly difficult circumstances in Greece, does it properly provide an excuse for lofty sermonizing. In connection with tales of "luxury

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goods" for sale amid hungry people it should be noted also that Greek-Americans, instead of sending cash to kith and kin in the old country, often preferred to provide them with small objects of negotiable value, such as combs, lipsticks, mirrors and the like, for street-corner sale. It is true that the Greek Government purchased at greatly reduced prices one whole boatload of luxury items that originally were destined for UNRRA personnel, then either leaving or preparing to leave the country. The Greek Government considered the transaction profitable business and so did UNRRA; but that fact never found its way into the headlines.

Now about the King. Is the United States in fact supporting a hated institution foisted upon the Greeks by British soldiers and sustained by "Royalist groups" and "Right-Wing bands"? Modern Greece is a limited monarchy, but the throne is not built-in furniture. George II incurred much animosity because of his stubborn reluctance to dissolve the so-called "Fourth of August" (1936) dictatorship until some 10 months had passed after John Metaxas' death. By then the Greek people were almost unanimous in insisting that they wanted no such thing as Fascism at home. The social welfare ventures of Metaxas had been successful and his wartime leadership remarkable, but the great majority of the people hated the tyranny inherent in his rule. The King, who had unwisely linked the monarchy to the dictatorship, shared in its unpopularity. But then Greece experienced an Axis dictatorship, and along with it, and after it ended, had a taste of EAM "discipline" which was so cruel and violent, and, above all, so totally un-Greek in character (for it was intended to fit Greece into a Slav-Communist combine), that the tides of popularity were reversed. Many who had disliked the monarchy began to look to it as the symbol of individual freedom and Greek nationality. When the plebiscite was held on September 1, 1946, nearly 70 percent voted in the monarchy's favor.

That the British sent their troops into Greece when liberation came with the express purpose of placing King George II back on his throne is an utter myth. True, up till mid-1943 the British Foreign Office would have been better pleased had the Greeks simply accepted the monarchy as an established institution. Later, however, seeing that the Greeks were divided on the constitutional issue, Britain insisted that the King must not return until he had positively been bidden to do so by the free voice of

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the people. A curious fact, recorded but never remarked upon, is that at the time of the Teheran Conference, November 1943, Mr. Churchill (then passing through Cairo) called upon King George II of the Hellenes to tell him that His Britannic Majesty's Government would not support his return to Athens after liberation until there had been a plebiscite. But President Roosevelt visited the Greek King after Mr. Churchill, and advised him "to get on your white horse and ride into Athens." Whether the suggestion was made whimsically or not no one knows, but it appears to have been President Roosevelt's counsel which caused the King to remain noncommittal on the British recommendation for many months.

Later, of course, the British Labor Government took a line hostile to the monarchy and urged that the plebiscite be postponed for some years so that with the passage of time the Greek people would accommodatingly choose to adhere to some "center" ideology. This suggestion corresponded at no point to the realities. There was not, nor could there be, any such thing as a "center" in respect to the violence and oppression exhibited by EAM. The EAM, be it remembered, killed more than 63,000 Greeks, and carried off thousands more as hostages. It is pure theory to suppose that there is a "golden mean" between favoring such things and combatting them. The political classification in terms of Right, Center and Left has become all but meaningless in Greece. There is a single dividing line, on the one side of which is the great mass of the people, who wish to retain personal freedom and Greek national sovereignty, and, on the other, the few who wish to merge both in the Soviet-Communist whole. The so-called "Center" and the loyal "Left" (that is, the Left which intends Greece to remain an independent country) contain conservative elements, while the so-called "Right" has in it progressives and Socialists.

The general attitude toward the monarchy has changed still more since the referendum of September 1, 1946. The intense struggle for national survival has relegated to the background the Republican-Royalist feud, which originated in 1916 in the quarrel between Venizelos and King Constantine. Besides, when King George II died on April 1, 1947, the crown passed to his brother, the present King Paul I, who is much younger and never played an anti-Venizelos rôle. His reign opened a new era for the monarchy, and, since the present King and Queen and their

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children form a happy family, it also introduced an attractive human element, long lacking in the royal household. Queen Frederika, German born, had no Nazi affiliations, and has striven to become a Greek woman. She is now thought of as such, and admired for personal bravery and tireless efforts to help the afflicted. All this has won far greater popularity for the monarchy than it enjoyed a generation ago.

Much has been written about "Right-Wing bands," with the implication that being also "Royalist" they operate with royal sanction. They are, in fact, with few exceptions, groups of peasants, motivated by a determination to protect their lives and small holdings in the absence of normal security forces, or frequently motivated by a desire for revenge for murder of members of their families. The figures on murder, differentiated from deaths in battle (as produced by a foreign source which, I believe, is impartial), are, indeed, appalling. During 1946, 654 nationalists and 618 anti-nationalists were thus killed. During 1947, 1,258 nationalists and 265 anti-nationalists were slain. All this is a reflection of the breakdown of law, and it can be corrected only by reëstablishing civil government in the guerrilla areas, where terror feeds on terror. Documents seized recently from guerrilla strongholds on Parnassus and Helikon mountains revealed a technique, ordered by Markos and long practiced, by which terror would be spread by killing persons close to those prescribed for abduction.

III

A good many transient reporters arrive at the Hotel Grande Bretagne in Athens in need of someone to tell them at once, in English, what goes on. My own impression is that three-fourths of the news cabled out of Athens for a rather long period was subject to the influence of one enterprising English-speaking interpreter, whose record is not savory. I mention this to illustrate the way ignorance about past events in Greece has been fostered abroad, and to preface an attempt to summarize the story of the Communist plot against Greece, which even now is not well known.

The first phase began when the ELAS (*Ethnikos Laikos Apeleftherotikos Stratos*), or People's National Liberation Army, which was EAM'S fighting arm, gained ascendancy by propaganda and terror while the Greek people were under the enemy

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yoke. Nicholas Zachariades, Russian-trained Secretary General of the Greek Communist Party, the KKE (*Kommounistikon Komma Ellados*), urged his following to boycott a "British imperialist war" in January 1940, at a time when the Greek Army was chasing the Italian invaders back into Albania, and Russia was linked in a pact with the Axis Powers. A few months later, in June 1941, after Russia, attacked by the Germans, found herself on the British side in a common struggle, official Communist policy naturally changed. It now wanted the Germans defeated, but above all it wanted a Communist victory. It was during this summer that a British intelligence unit, known as M.O. 4 (Military Operations Four), became persuaded that EAM, the newly created front of the KKE, offered the most useful instrument of discomfiture to the Axis armies of occupation in Greece. Aid was accordingly given them. As time went by, however, Greeks coming to the Middle East began imploring the British military authorities to cease favoring EAM, on the ground that its objectives were not those of Greek patriotism. After Communist influence spread to the Middle East, and there were mutinies in the Greek Brigades there and in the Greek fleet, the British began to perceive better how the land lay. Late in 1943 they began to shift their main effort at coöperation to a so-called Rightist resistance group, EDES (*Ellinikos Dimokratikos Syndesmos*), or Greek National Democratic Union, fighting under the command of General Napoleon Zervas. He was a declared republican, and was enemy number one for the Communists, who attacked from the rear the EDES forces fighting the Germans in the Epirus mountains.

Significantly, KKE — EAM — ELAS had not included Bulgaria in the category of enemy countries. The reason was later revealed. The Greek and the Bulgarian Communist parties had begun bending their joint efforts toward the establishment of an alliance of Soviet Socialist Republics in Bulgaria, Jugoslavia and Greece. An agreement designed to put the plan into effect was signed at Petrec (Petritsi) on July 12, 1943, by Dushan Daskaloff for Bulgaria and for Greece by Ioannis Ioannides, who is now Deputy Premier of the "Government of Free Greece." Within this union were to be two other states — Macedonia, with Salonika its capital, and the Dardanelles as an autonomous republic under the Soviet Union, with Constantinople its capital. The above document was found in Communist Party archives in

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Moplya. We know now that there is a whole complex of organizations whose purpose is to establish both Bulgarian and Jugoslav Communist rule in northern Greece — for example, the Bulgarian BMPO, one of whose branches is the OHRANA, a terroristic organization with the purpose of "Bulgarizing" the Slav-speaking minority of Macedonia. Another group of the kind — NOF, or People's Liberation Front — is closely connected with EAM, but has its headquarters in Skoplje, in Jugoslavia, and aims at incorporating Greek Macedonia into the Jugoslav Federation. At one time there might have been a falling out between Jugoslavia and Bulgaria on the Macedonian issue, but Tito and Dimitroff, though powerful dictators, are loyal Communists and have shown that they will execute Moscow's wishes.

Other efforts to sign away the Greek nation may be mentioned. On October 9, 1943, ELAS leaders Stefanos Sarafis, Ares Velouhiotis and Vasilios Samariotis issued a general directive to the ELAS Andartes (Guerrillas) Corps of Greece, General Headquarters, General Staff, Staff Office 111, Nr. 88 (Nr. 1417 of 20/7/43), in which they ordered "coördination of action" with Albanian and Jugoslav guerrillas and instructed ELAS corps "to pursue a complete collaboration between the Albanian and Serbian armies and EAM, in regions neighboring with them and especially the Viglitsa, Grammos, Konitsa, Grambala, Kalamos, Kaimaktchalan, Florina, Monastir and Gevgheli districts." This is the same General Sarafis who later led ELAS against Greek National and British forces in the December 1944 struggle, and the terrain is that of the present fighting. This document was found in the archives of ELAS 13th Division.

Within the last year several secret agreements have come to light between KKE — EAM — ELAS and German Army units, which show that, in return for arms and assistance in fighting nationalist Greeks, a specific German force would remain unmolested in its retreat. The most important of these is the pact dated September 1, 1944, at Livadi near Salonika, signed for the ELAS group of Macedonian Divisions by *Kapitanios* Kitsos, and for the German Supreme Command of "Macedonia of the Aegean" by Major Erich Fenske. This document, the original of which was seen by the author in March 1944, was submitted to the United Nations Inquiry Commission by the National Organization of Former Elasites. There is also evidence that in some instances Bulgarian Communists actually assumed the command

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of ELAS contingents — Regiments 27, 28 and 30, for example.

The Communist plot against Greece entered the second phase when ELAS and its Reserve Forces, organized during the occupation for the particular purpose of seizing power by violence after the liberation, attempted to do so in December 1944. It had its own terrorist organization, OPLA (*Organosis Prostasias Laikou Agonos*), or Organization for the Defense of the People's Struggle, an understudy of the German SS, to forward its aims by the use of murder. Britain prevented the consummation of these plans, and, by the Varkiza agreement, signed on February 12, 1945, ELAS acknowledged defeat by the British and Greek forces. However, it did not dissolve. About 3,500 soldiers went into Jugoslavia with their arms, where they were trained and indoctrinated at the Bulkes camp to become the nucleus of a new army. Others handed in some of their old weapons in order to comply with the terms of their surrender, hiding those of a modern type for later use. Meanwhile, interconnected camps for training and indoctrination, and equipment centers, were set up at Kumanovo, Tetovo, Štip and Strumiča in Jugoslavia, Rubig in Albania, and Ortakeui, just over the Greek border in Bulgaria. Then, after a system of logistics had been built up, so as to insure a steady flow of arms to the guerrillas, the bands were released by stages into Greece. The active warfare which ensued, and is continuing, is the third and present phase.

This third phase of the war will give way to a fourth if the "Government of Free Greece" is recognized and accorded belligerent status. At present this government is a hoax. Its seat is not on Greek soil, but probably in Jugoslavia, and it has no citizens to govern. Yet it is to be reckoned with as a projection of the Communist mind, on the way to becoming a trysting place for fellow travelers. Already press references to the "Athens Government" or the "Athens régime" imply two equal governments in Greece — the "Free" and, by inference, the "Unfree." Impartiality toward the two is thus invited, and many a well-meaning reader will conscientiously adhere to what he thinks to be a middle course in his judgments about the whole situation. The confusion has been deliberately created for the express purpose of masking a clear case of aggression.

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FRANCE, EUROPE AND PEACE

By Jacques Soustelle

NEARLY a century ago, in a prophetic article, Karl Marx characterized the line from Stettin to Trieste as the frontier of Tsarist imperialist ambitions. Today, the armies of Soviet imperialism have advanced to that line. This fact dominates all European politics and, consequently, world politics, in so far as any revolutionary development in Europe will necessarily compromise world peace. It therefore dominates the foreign policy of France, which is first and foremost a European Power, astride the end of the Continent between the Atlantic and the Mediterranean, but also a World Power with territories and interests all over the globe.

General de Gaulle in July 1947, at Rennes, sought to put the French people on their guard. He described in forceful terms the alarming extension of Russian power over Europe: "Two thirds of the Continent are now under the thumb of Moscow," he declared. "Soviet Russia has already established, or is actively seeking to establish over certain Allied countries — Poland, Jugoslavia, Albania — and over certain conquered countries — Prussia, Saxony, Rumania, Hungary and Bulgaria — a totalitarian dictatorship that is only an appendage or a reflection of her own. . . . She holds Czechoslovakia and Finland in her power, and her hand is heavy upon Austria. Moreover, she has directly annexed the Baltic States, as well as considerable territories carved out of Prussia, Finland, Rumania and Poland. . . . This bloc of nearly 400 million people now borders upon Sweden, Turkey, Greece and Italy. Its frontier is only 500 kilometers, distance from our own! We, who have never trifled with the freedom of men and the independence of France as if they were stakes in a game, declare that this state of affairs may soon place both these cherished ideals in peril."

It must be noted that General de Gaulle's denunciation of the Soviet danger does not spring from any initial hostility toward Russia. During the war, the French National Committee, of which I was a member, never had any illusions as to the character of the internal régime of the Soviet Union. But just as our Third Republic before 1914 concluded an alliance with absolutist Holy Russia, we, too, after June 1941, tried to reëstablish close rela-

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tions with the Soviets. In our view, the most important thing was to win the war, and the second was to set up a European balance such that no rapid rebirth of German militarism could endanger the peace. This second objective, however, was based upon one vital condition: that victorious Russia would show restraint in her victory and permit the neighboring peoples of eastern and central Europe to enjoy their national independence. This condition she has not fulfilled. It is she, then, who has rendered impossible any return to the traditional French policy of a Franco-Russian alliance. Today, in consequence, de Gaulle, who as recently as 1944 signed a pact with Stalin in order to finish the war, is the most forceful exponent in France of a policy of resistance to Soviet expansion.

During the last three years events in the field of international diplomacy have proceeded so rapidly that it is difficult even to remember the attitude of the Allied Governments and of Allied public opinion toward the Soviet Union in 1945. Only little by little did the true face of Soviet aims reveal itself, from Yalta and Potsdam to the succeeding international conferences. For the people of France, however, the attitude of the Communists within their own country was an infallible index of what was happening on the international scene: the aggressiveness of the Soviets made itself manifest on our own soil and in our internal political life even before it became clear to world public opinion.

Since this was the case, we had to develop a French foreign policy geared to the new situation, and to define its aims. These might be expressed as follows: First, France must be able to make a real contribution to the maintenance of peace. Second, no matter what happens, even in the event of a conflict, the independence of France and the liberties of her people must be safeguarded.

It is obvious that these objectives cannot be achieved by a kind of French isolationism. Our country knows full well that it could never remain neutral in any European or world conflict. The problem of French independence can be considered only with reference to the European complex of which France is a part. Actually, it is possible to conceive of a Europe unified under Russian hegemony. But we cannot accept this "solution" — and by "we" I mean the enormous majority of French men and women, above all those who look to the leadership of General de Gaulle. The reason we cannot is that it presupposes the destruc-

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tion of the democratic system in France and the establishment there of the dictatorial régime now prevailing in Russia. It would also entail the abolition of our independence as a nation, even if the forms of independence were preserved by means of a puppet government supported by the Communist Party, or by a "Front" of several parties dominated by the Communists. Finally, we are convinced that this solution would inevitably lead to a war between the continents.

General de Gaulle therefore defined our policy in the following terms: "Let us assume the leadership of those who wish to reconstruct a free and balanced Europe, utilizing, under conditions that respect our independence, any assistance that outside Powers, especially the United States, may be able to give us."

The phrase "assume the leadership," as used by the President of the Rally of the French People, obviously does not imply any desire for political or military hegemony. However, it is our conviction that for historical and geographical reasons France is the key to western Europe. If France were Bolshevized, what would happen in the British and American zones of Germany? What would happen in Belgium? What chance would even Italy have, encircled as she is by France, French North Africa and Tito's Jugoslavia? Conversely, the powerful movement necessary to achieve an economic union of the western European states — the first step toward their political federation — must be centered in France if it is to have any chance of success. England is really outside the Continent; her imperial and maritime interests constantly draw her away from Europe. Although it is most desirable that she be one of the first European states to enter the system that must be constituted, it is doubtful that she can give the stimulus or take the initiative for its creation. France, on the other hand, can play the rôle of a spiritual guide to the benefit of all the European countries. This rôle is in harmony with her traditions and will awaken sympathetic echoes throughout the Continent — even in the lands beyond the iron curtain.

As early as July 27, 1943, the date of the fall of Mussolini, de Gaulle proclaimed the "interdependence of France and Italy" to be an essential factor for "reason and hope in Europe." On October 7 of the same year, at Ajaccio, when the Fascist troops were crushed in Corsica, he declared that France felt no resentment toward Italy. Today these two nations — the only western countries represented in the Cominform at Belgrade — seem to

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be the two principal objects of Soviet expansion on the Continent. The first step toward the realization of a unified Europe must be a rapprochement between them. This should be accompanied by agreements between France and "Benelux," and, finally, by an agreement with England. Paris is geographically and, more important, politically, the center of the network that embraces The Hague, Brussels, London, and Rome.

An agreement with Great Britain is an essential element in this system. It would be vain to attempt to build a united Europe without first settling the conflicts that periodically beset the Franco-British alliance. General de Gaulle and his friends were too close to England's heroic struggle during the war, they were too intimately associated with the British war effort, they themselves sacrificed too much for this alliance, to be anything but its firmest supporters. Nevertheless, an effective alliance can be built only in an atmosphere of complete understanding. A thoroughgoing settlement of Franco-British affairs must concern itself principally with Germany and the Arab countries.

Now it is a fact that, in the period between the two world wars British policy often seemed to be based on the theory that "the Germans were Englishmen and the French were Germans." The old idea of a European balance of power found expression in the notion that Britain should act as the arbiter between France and Germany, both of which must be contained. Experience has shown how disastrous this philosophy was alike for France, which was invaded and devastated three times within 70 years, and for England, which almost perished during the recent conflict. France, for her part, cannot accept any policy that has as its object to reconstruct a unified and potentially aggressive Germany.

In this connection it is necessary to dispel certain false interpretations and myths current not only in Great Britain but in the United States. The French people as a whole, and sometimes General de Gaulle especially, are represented as determined to impose a "vengeful peace" which would keep Germany permanently prostrate, starved and ruined. Nothing could be further from the truth. When de Gaulle paid a visit as President of the French Government to occupied Germany he was not afraid to declare that the Allies must rebuild Germany — a statement for which he was sharply criticized by the Communists. We are perfectly well aware that Europe cannot survive with an abscess of

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poverty and ruins at its very center. We understand that the Continent cannot recover economically without the labor and production of the German masses. But we nevertheless believe that between the economic reconstruction of the former territories of the Reich and the political reconstitution of a Reich there stretches all the distance between a wise peace policy and an extremely dangerous adventure.

For centuries the various German states existed without threatening the peace of Europe. Yet as soon as these states were unified into a Reich under William I and Bismarck, then under William II, and finally under Hitler, the huge political and military machine thus created was irresistibly drawn toward conquest. There are many who say or write that it is fantastic to wish to reconstitute the old German states. Nonetheless, what we know of Bavaria, for example, leads us to believe that the Bavarians are not in the least anxious to see a new Reich created. The same is true of the Rhineland-Palatinate state established in the French zone. In the Saar, the vast majority of the population, with the exception of an insignificant number of Communists, voted — in full freedom — for the autonomy of this territory. We believe, therefore, that it is absolutely necessary to let the Germans serve their democratic apprenticeship in a framework of separate states which are in no way united in one Reich and which can be integrated economically into the western European complex. To sum up the French position on Germany: Economic prosperity? Yes. Political unity? No.

Moreover, it must be realized that a policy based on the idea of reconstructing *one* Germany is now obsolete. Whether we like it or not, Germany has already been divided into two parts. Let us suppose, for the sake of argument, that a German government is constituted in Frankfurt with authority over all the territories now occupied by the western Allies. Such a government would be weak indeed compared with that which the Russians would in all probability constitute in their zone, doubtless with its seat in Berlin. Moscow has too much political realism not to take advantage of all the traditional resources of Prussia: the Prussian army, with marshals like von Paulus, the Prussian Junkers, and the Prussian administration and bureaucracy, ripe for incorporation into a kind of National-Communism based upon mass propaganda. The West-German politicians, Social-Democrats and Christian Socialists, would then embark upon a desperate compe-

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tition with the Berlin leaders, each group trying to outdo the other in nationalist frenzy, until the "Anschluss" or fusion of the two Germanies was achieved. This would be to the advantage of the Russian Empire, which would then extend from Vladivostok to the Rhine, with Germanism as its vanguard. Perhaps certain Prussian minds have already conceived the hope that they can thus accomplish in defeat the dream which Hitler was unable to realize through conquest.

We consider that the recreated West-German states, each with its own democratic institutions, its own independent existence, and a decent standard of living, would constitute the only real obstacle to such an adventure. In any case they would form a more substantial obstacle than a phantom Reich which could not fail to be irresistibly attracted toward a Sovietized Prussia.

Britain, France and the United States must try to agree together on the rectification, where necessary, of the frontiers of the three zones, the recognition of whatever autonomous states may be constituted within these zones, and the establishment of a régime which will enable these states to function without imposing a ruinous financial burden upon the Allied nations. They should also establish a régime of control over the Ruhr which will prevent it from becoming again the arsenal of a new imperialism, while allowing it to work to the fullest possible capacity for the economic reconstruction of Western Europe.

The western German states should adhere to a European federation, of which they would gradually become full-fledged members. During the first phase they would develop their own democratic institutions under a protectorate of the Allied Powers, but would achieve complete independence within the framework of the European federation as a result of the eventual withdrawal of the Allied forces. We conceive of this federation as a democratic organization based on an Assembly or Congress representing all the countries concerned. Part of the national sovereignty of each state would have to be surrendered to the Congress, especially in economic matters such as tariffs. The federal institutions, which should be built up as soon as possible, would have as their first task to deal with the Ruhr administration.

One of the most frequent sources of friction between France and England is the British policy with regard to the Arab lands. Syria and Lebanon have furnished a good illustration of this fact. In the present situation, France is primarily interested in her

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African territories, some of which (Algeria, for example) are an integral part of the mother country. Here again it must be stated that a real settlement of Franco-British differences implies an agreement that so far as British influence can be used it will oppose any interference by the Arab League in French North Africa.

But the problem of "Europe and Africa" is much broader. From Algiers to Brazzaville, from Dakar to Nairobi, from Lagos to Leopoldville, three western European countries — England, France and Belgium — control vast reaches of the African continent. There is no need to stress the importance of this area from the point of view of military strategy (Mediterranean bases, bases on the South Atlantic) and economic resources (fats, rubber, minerals, uranium). From both standpoints the United States is as vitally interested in Africa as in Europe, which considers the great continent to the south an extension of, and a complement to, itself. If there is to be coöperation between the nations of western Europe and if they are to make progress toward forming a continental federation, their agreements must include those parts of Africa which they control. The crowning achievement of a unified Europe must be the incorporation of Africa into the European system.

When people discuss the relations between Europe and the United States they have a tendency to forget that, since 1945, America has been a European Power, directly governing one part of Europe: the American occupation zone in Germany. Moreover, everything that happens in England, France and Italy necessarily affects the United States, often in its vital interests.

It therefore is to the interest of the United States that western Europe should be constituted as a viable unit. Aid to Europe should not be considered as a humanitarian undertaking or as relief, but as a policy and a strategy. Stalin's allies in Europe are hunger, misery and despair; but these forces are also America's most dangerous enemies. Since France is one of the vital bastions of the European continent, its defense is of capital importance for the United States.

General de Gaulle has taken every possible occasion since his return to political life to explain how he conceives of Franco-American coöperation in this domain, especially with regard to the execution of the Marshall Plan. He has often said that the French people "must not sit back and wait for a miracle." He has emphasized the absolute necessity for the French people

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themselves to work and to produce. He has also made clear on several occasions that he thinks American economic assistance to France should be the object of agreements freely arrived at between the two countries. Everyone must realize how indispensable such agreements are for the maintenance of democratic régimes in Europe. For the peoples of the Continent, to receive American economic support is of immediate importance; for the people of the United States, to give such support is a long-term interest, but not less vital.

It would take too much space to recall the numerous references made by General de Gaulle to the problem of organizing world peace. He has always declared himself strongly in favor of the United Nations, even to the point of accepting international authority on certain questions. For example, in July 1946, at Bar-le-Duc, he stated that "the proposals made by the United States Government for the purpose of centering in an international and compulsory organization all authority over matters pertaining to atomic energy, in all parts of the world, seem to us wise and just."

We conceive of a European federation as a regional organization within the world-wide United Nations framework. Obviously, a part of the federal sovereignty of each regional group should be given up to the world authority, exactly as a part of the national sovereignty of each individual state ought to be given up to the regional federation. Of course we do not think that this aim can be achieved easily. It is even possible that disastrous conflicts may have to be fought again before the necessary light dawns upon mankind. In the meantime it is France's duty, as we understand it, to do everything she can, first, to attain a federated Europe, and secondly, to promote close coöperation between the new Europe and the United States.

A realistic foreign policy cannot be based upon sentiment alone; to make it solid it must embody the common vital interests of several nations. This identity of interests is present today in western Europe and America. France can and must have a share in planning and executing a policy which not only will be of substantial assistance in her own recovery, but will also afford her an opportunity to give substantial aid to others. This is, for us, the profound meaning of what General de Gaulle has defined as "international coöperation, which from now on is mankind's only possible road to peace and salvation."

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THE TREATY WITH JAPAN

A Chinese View

By Chang Hsin-hai

SECRETARY of State Marshall proposed a conference to draw up a treaty of peace with Japan in notes which he sent to China, Britain and the Soviet Union on July 21, 1947, about three months after the Council of Foreign Ministers at Moscow failed to reach any agreement over a treaty with Germany. He suggested that a conference of the 11 members of the Far Eastern Commission — namely, Soviet Russia, the United Kingdom, the United States, China, France, the Netherlands, Canada, Australia, New Zealand, India and the Philippines — be convened either at Washington or San Francisco. He asked that it should take decisions by a two-thirds majority rather than unanimously, as at Moscow.

The three countries addressed returned different answers. Britain expressed agreement with Secretary Marshall's suggestions, with the full concurrence of the Commonwealth nations which were then meeting at Canberra. In a later note of December 12, however, she desired to have Pakistan and possibly also Burma take part in the conference. The response from Moscow, which came promptly on July 22, was unfavorable. Soviet Russia maintained that the drafting of the Japanese treaty was the exclusive task of the four principal Powers — the United States, Britain, China and herself — and insisted that each should enjoy the right of veto. The view was repeated in later Soviet notes, though the last modified the earlier position in that Soviet Russia expressed a willingness to have the other Powers in the Far Eastern Commission take part in the conference as members of the various committees, in a purely advisory capacity.

The Chinese response has been and remains in the nature of a compromise. While agreeing with Secretary Marshall that decisions be by a two-thirds majority of the 11 Powers, China agrees with the Soviet Union that any decision must have the full concurrence of all the four principal Powers. In other words, each of these Powers should have the right of veto. There is thus a three-cornered disagreement which has remained substantially unchanged for some six months. Russia's insistence on the veto

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was, no doubt, expected, but China's probably was not. The failure of the London Conference in mid-December has tended to confirm certain aspects of the American position, since it is now plainer than ever that as long as there is the right of veto, which the Soviet Union exercises so generously, there will be no decisions in any international conference. Under the circumstances, then, an explanation of the Chinese view of the problems of a Japanese peace treaty may be useful.

The Chinese position is being taken independently of Russia, and is not a tactical move. It is dictated by a deep conviction that China's national security will be threatened by any arrangement which leaves her without the protection of the veto, since with the present alignment of the Powers she would certainly be outvoted on all major issues. The country is united in this stand. For three long generations, China's public enemy number one has been Japan. The war cost China $50 billion and the lives of 15,000,000 people; an additional 60,000,000 were left homeless. She will never consider the Japanese problem solved unless her fears are allayed and some of her basic desires met.

Let us then see how China is likely to stand on some of the concrete issues which will be brought up for discussion before the peace conference. The legal basis for the present occupation of Japan and the negotiation of the Japanese treaty is found in certain articles of the Potsdam proclamation of July 26, 1945:

> There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest [and] . . . irresponsible militarism. (Article 6)
>
> Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth. (Article 7)
>
> [In accordance with the Cairo declaration] Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine. (Article 8)
>
> . . . stern justice shall be meted out to all war criminals. . . . The Japanese government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. (Article 10)
>
> Japan shall be permitted to maintain such industries as will sustain her economy and permit the payment of just reparation in kind, but not those industries which will enable her to rearm for war. (Article 11)

Taken together, these articles lay down the principles for the demilitarization and disarmament of Japan (both physical and

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psychological), post-treaty control, limits on Japanese territorial sovereignty, the determination of Japan's economic and industrial level, and reparations. I shall present what I believe to be the popular Chinese view on these subjects.

The Chinese regard the Potsdam proclamation as the foundation of Allied policy toward Japan and hope that all the Powers will abide by its letter and spirit. It requires that Japan's war-making power be destroyed, that the authority and influence of irresponsible militarism be eliminated, and that "freedom of speech and religion and of thought, as well as respect for the fundamental human rights, shall be established."

1. *Demilitarization and Disarmament.* The complete destruction of Japan's military forces and of her war potential, essential as it is for peace and security, must be accompanied by a basic change in Japanese mentality. The source from which militarism in Japan derives its driving force and authority is the peculiar attitude of the people toward their emperor. The Chinese have had more experience with the Japanese than have any other people, and they feel that they know more about them. No one in China believes that democracy in Japan is possible unless the emperor system is eliminated, or at least changed much more radically than it has been to date. The emperor has been the symbol, the divine symbol, from which the Japanese militarists have received the inspiration and the religious sanction for world conquest. There is evidence to show that he cannot disclaim responsibility for the war, and it was he who decided, during the conference with his ministers on August 10, 1945, that the war was over. It is true that the divinity of the emperor is officially denied in an imperial rescript of January 1, 1946, but the rescript cleverly affirms the continuity of the present reign with that of Emperor Meiji.

When the treaty negotiations begin there will be sharp differences of opinion among the Powers as to whether it is possible to construct a democracy within the framework of the emperor system. The British will point to their own constitutional monarchy to suggest that it is. The Americans will support the reformed emperor system on the basis of the postwar record, which is almost entirely their work, and will say that the new Japanese constitution promulgated on May 3 of last year has made the imperial system innocuous. The Chinese will ask that the Emperor be treated the way Wilhelm II was after the First World

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War, and will maintain that the new constitution is merely a rehashing of the old one and is related to it in spirit. Soviet Russia will probably stand with the Chinese.

On June 21, 1946, the United States submitted a comprehensive draft treaty for the disarmament of Japan, covering the army, the navy and the air force, and aiming at "total disarmament and demilitarization." Article 1 describes at some length what it means by the prevention of the manufacture, production or importation of military equipment in Japan. The suggested treaty follows quite closely a similar treaty which was drafted for the disarmament and demilitarization of Germany. There is not likely to be much difference of opinion about the principles which it enumerates, except possibly on some minor details, but there may be much disagreement about Japan's war potential.

2. *Post-treaty Control.* Article 12 of the Potsdam proclamation says that the occupying forces of the Allies shall be withdrawn from Japan as soon as the objectives have been accomplished and "there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government." The length of time needed to fulfill these conditions is usually estimated at from one generation to half a century. If the Powers were to coöperate, and if democracy were to develop in Japan, a 25-year occupation would probably be adequate, but the present friction among the Powers makes it impossible to tell when the goal can be reached. The Japanese unquestionably hope to play off one Power against another, as the Germans did after the First World War.

The Chinese doubt that the provisions of the Potsdam declaration are being enforced with sufficient thoroughness, noting in particular that the war criminals have not been prosecuted as expeditiously as those in Germany, nor punished as severely. Many Japanese who should be tried as war criminals are still at large; it is much too early to say that militarism in Japan is being pulled up by the roots. Moreover, the MacArthur administration is too generous in its treatment of the commercial interests which collaborated closely with the militarists before and during the war. The Zaibatsu, which included such great concerns as Mitsui, Mitsubishi, Sumitomo, Kuhara, Okura, Yasuda, has been technically disbanded, but not dissolved as thoroughly as were the big German combinations. Not one Japanese industrialist was included among the war criminals of

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the first order, though the Zaibatsu virtually ran Japan from 1930 on. As influential a person as Prince Nashimoto was classed as a second-class war criminal and was released, with Kikoshi Goko, President of Mitsubishi, from Sugamo prison last April.

Japanese education must also be strictly controlled if Japan is to be transformed into a democracy. The United States Education Mission to Japan which published its report on April 6 of last year has done a good piece of preliminary work, and many of its recommendations will no doubt find a suitable place in the treaty. The Chinese Ministry of Education at Nanking recently established a committee of experts to help draft that part of the treaty which has to do with the future of Japanese culture, the use of textbooks and the curricula of schools and colleges.

Modern Japanese education was, of course, a handmaiden of militarism, and unless the poison is taken out of the educational system, democracy is impossible. Here the coöperation of the British, Americans and Chinese can be most productive, since the Chinese know Japanese language and history as if they were their own, while the Americans and the British can supply the content of a modern democratic educational system.

3. *The Limits of Japan's New Territorial Sovereignty.* This question is relatively simple; in fact, it has largely been solved. Article 8 of the Potsdam proclamation says: "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu and Shikoku and such minor islands as we determine." The Japanese want the "minor islands" to include the Liuchius (sometimes called the Ryukyu archipelago), a chain of small islands to the south which includes Okinawa, and the Katayama Cabinet has asked for joint control with the United States. There is little chance that the request will be granted, but it suggests the direction toward which a policy of leniency can lead. (Responsible Japanese have gone so far as to ask for a plebiscite in Manchuria and Formosa, as if the Cairo Declaration did not exist!) China is asking for the control of the Liuchiu Islands for historic reasons. As far back as the Tang Dynasty (618–906) the rulers of these islands were in the habit of sending tribute to the Chinese emperors — the form in which Chinese sovereignty was then acknowledged. But the United States attaches great strategic importance to these small islands and will probably insist upon having a trusteeship over them under the United Nations.

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4. *The Economic and Industrial Level.* This and the closely related subject of reparations form the core of the impending treaty negotiations. The decisions of the Allied Powers will determine whether Japan again becomes a military nation, and will also affect China's industrial development. A thorough discussion of the question of Japan's proper "economic level" would have to be buttressed with statistics for which there is no space in this article; but a few primary factors may be noted.

First of all, it can be pointed out that conclusions reached in the discussions for the German treaty can profitably be applied to Japan. Article 15, Section 2 of the agreement signed at the conference held at Berlin from July 17 to August 2, 1945, among Britain, the United States and Soviet Russia, published on August 3, says, among other things, that Allied controls shall be imposed upon the German economy, to the extent necessary "to assure the production and maintenance of goods and services . . . essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries" meaning "all European countries excluding the United Kingdom and the U.S.S.R." This is a fair yardstick for Japan, and is, in essence, the recommendation of Mr. Edwin W. Pauley. It can be generally said that a "standard of living" is determined by the ability to purchase things over and above the bare requirements for food. In China the standard is very low, inasmuch as 80 percent or more of the earnings of the people are spent on food. A White Paper submitted to the Allied Commander by the Japanese Government, published on July 16 of last year, said that today the average Tokyo family spends from 66 percent to 73 percent of its income on food. In other words, the standard of living in Japan, even at the present hour of defeat, is higher than in China. (During the war, the Chinese people spent all their earnings on food and still did not have enough.) And the Japanese standard is undoubtedly higher than that of any of the countries in Asia which Japan invaded.

It is true that there is still a shortage of rice in Japan. If the population is taken to be 70,000,000, then it may be estimated that Japan needs something like $90,000,000 in foreign exchange to purchase rice. But Japan was able to sell nearly 300,000,000 yen worth of raw silk in 1934 — the equivalent of $90,000,000 — and a future sale of this commodity alone, in about this amount, would enable her to maintain a standard of living in which 70

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percent of earnings was spent on food. To take the level of Japan's economy for a specific recent year as the criterion of the proper living standard, as is sometimes proposed, would be to abandon the principle that the level of her economy should not exceed that of the other Asiatic countries, and would open the door to re-militarization. In the year 1935, for example, Japan was able to export manufactured products valued at some 2.2 billion yen, as against only 540,000,000 yen worth of imported rice. The excess of more than 1.6 billion yen worth of foreign exchange was spent by the militarists and industrialists for the purchase of goods which were not essential for the maintenance of the living standard, but which went to strengthen Japan's war machine. The United States Initial Post-Surrender Policy for Japan, announced on September 22, 1945, said: "The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met." That is the criterion that should be retained.

The Far Eastern Commission's proposal that the industrial level for 1930–34 be the standard for Japan in the future is far in excess of what may reasonably be called "the peaceful requirement" of the Japanese people. According to available statistics, the output for three heavy industries — metal, machine tools and chemicals — shows a steady increase during those years from about 2.1 billion yen to 4 billion. The proportion of total industrial output accounted for by those three industries increased from 37 percent in 1930 to 42 percent in 1934. In 1935 it went up to 48 percent — the percentage now recommended by the Far Eastern Commission. These industries can easily be converted to war purposes.

Actually, the recommendations of the Far Eastern Commission are in excess of the level for the years 1930–34. They allow more than double the amount of sulphuric acid that was produced in 1934 (174,600 tons), for example. The quota of pig iron has been reduced to 2,000,000 metric tons, but 3,500,000 metric tons of steel ingots are allowed — 810,000 tons more than the average for the years 1930–34. There is also an increase in the tonnage of shipbuilding. The average for 1930–34 was 103,000 tons annually, whereas the proposed quota is now 150,000 tons. All things considered, the recommendations of the Far Eastern Commission are nearer the level of 1935 than that of 1930–34, and it seems almost as if the heavy industries were being en-

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couraged at the expense of the light industries necessary for the manufacture of food, clothing and of other essentials. At any rate, it is impossible not to conclude that setting an industrial level for Japan on the basis of the conditions prevailing in 1930–34 gives her a considerable war potential; the availability of chemical plants for the manufacture of ammunition is, for example, quite obvious. After the First World War the Allies not only permitted but financed the rebuilding of the German war machine. Is that blunder going to be repeated in Japan now?

Even in the matter of food, clothing and housing, the Far Eastern Commission is permitting Japan more than she actually needs for a decent living, and far more than she needs to match the living standards of the countries which she invaded. By 1950, Japan will have 4,450,000 spindles as against the 4,400,000 in China, where the population is more than six times as large. A total of 1,500,000 spindles, or at most 2,000,000, would more than meet Japanese clothing requirements. If the Allied aim in Japan is, in the words of the Post-Surrender Policy, "to bring about the eventual establishment of a peaceful and responsible Government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations," then it is best to place under firm control all the resources which might nourish the hopes of the militarists. The control can be relaxed when there are clear signs that democracy has really taken root in Japan, but it is very sanguine to think that Japan is developing into a real democracy in two years, after living under totalitarian rule for 2,000 years. In this connection we shall do well to keep in mind the cable sent on February 7, 1941, by Foreign Minister Matsuoka to Ambassador Nomura (introduced at the war crimes trial on November 5, 1946) to the effect that even if Japan were defeated she would break any restraints within 30 years.

Particular reference should, I think, be made to the problem of Japanese commercial shipping. According to a United Press dispatch of October 19, 1947, there is "wide disagreement between the Chinese and the United States on the merchant fleet tonnage which Japan should be permitted to have," and the reporter was scarcely exaggerating the situation when he described it in those terms. A dispatch dated October 23 pointed out more specifically that the United States desires to maintain Japanese shipping at between 2,000,000 and 3,000,000 tons,

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whereas China vigorously insists that half that amount is more than adequate. It is important to recall that Japanese shipping totalled 3,000,000 tons in 1931, the year Japan invaded Manchuria; 4,000,000 tons in 1937, the year of the Marco Polo Bridge incident; and 6,000,000 tons in 1942 shortly after Pearl Harbor. Japan was able to add some 300,000 tons annually in new construction and repair. According to a plan which is being circulated in Tokyo among those who are interested in reviving the naval strength of Japan, the Japanese are now thinking of constructing 400,000 tons annually. If they do, they will have 4,500,000 tons of commercial shipping by 1958, more than they had in 1937.

The line that China is likely to follow in the peace negotiations in regard to Japanese shipping is suggested by the proposals of a Chinese writer in the influential newspaper *Ta Kung Pao*. He specifies that 1,000,000 tons of Japanese shipping be given to China, in two installments, half to be delivered now and the other half at intervals in the next five years. Strong exception is taken to the Pauley recommendations that Japanese shipping should in the future total 1,500,000 tons (the MacArthur proposal is 2,000,000 tons), that no ship should be over 5,000 tons, and that Japanese shipping should trade only in Japan's own waters and along the coast of China and Korea. The writer in *Ta Kung Pao* proposes instead that Japanese shipping should be used only within its own waters and for purposes of inland navigation, and that the total tonnage should not exceed 800,000 tons. He specifies further that no ship should be more than 3,000 tons or have a speed to exceed nine knots, that all dockyards capable of constructing heavy shipping should be either earmarked for reparations or scrapped, that all important naval institutions should be closed, and that all shipping construction should be placed under the supervision of the Allied Powers.

5. *Reparations*. When the Soviet representatives demanded payment from current German productions as the price for German economic unity at the recent Conference of Foreign Ministers, Secretary Marshall declared that this would make Germany "a congested slum or an economic poorhouse." Fortunately, the question of divided control does not exist in the case of Japan, and therefore the question whether or not she is to be regarded as a single economic unit will not arise. General MacArthur's order of August 25, 1947, dealing with the dissolution of "industrial and banking corporations which have exer-

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cised control of a great part of Japanese trade and industry," involved some 505 plants of Japan's largest and most modern firms in eight branches of industry. These concerns constituted one-third of Japan's total industry, and produced a large proportion of her pig iron, steel ingots, machine tools, ball and roller bearings, ships, chemicals and thermal electric power. It is the policy of the United States to break up the big economic and industrial concentrations into the largest possible number of small independent units. The Chinese view is that all the industries in Japan used directly or indirectly in the manufacture of arms, ammunition and other military equipment should be scrapped.

Reparations claims have been submitted to the Far Eastern Commission by 11 countries in terms of percentages of the total sum that Japan may be asked to pay. China asks 40 percent, a ratio that does not seem excessive considering China's sacrifices and the damage which she suffered. The United States asks 28 percent, Australia 28 percent, the United Kingdom 25 percent, the Philippines 15 percent, India 12.5 percent, France 12 percent, the Netherlands 12 percent, Soviet Russia 12 percent, New Zealand 2 percent and Canada 1.5 percent. Only the Philippines put a monetary value on its claims — in round numbers $4.2 billion; if the various claims are in proportion to this one, they will total about $54 billion. Since these ratios come to 188 percent of the sum to be agreed upon, it is obvious that some adjustments are going to be made, and I shall not attempt analysis of reparations quotas or of the total. I should say, however, that in the Chinese view neither the reconstruction work which Japan undertook in occupied territories for the purpose of strengthening her control there nor any loans which she advanced to foreign countries for aggressive purposes should be considered "Japanese assets" abroad.

This, then, is the background of the coming negotiations for a Japanese peace treaty, seen from a Chinese point of view. The problems which I have briefly discussed are serious and difficult, but they are capable of solution in the spirit of the Potsdam proclamation and within the framework of the United Nations Charter. China believes that her stand on these issues is reasonable. Her attitude toward Japan is unequivocal. She desires to see Japan grow into a democracy with which she can live in peace, friendliness and mutual prosperity. Her wish to maintain the veto in the peace conference is an expression of that aim.

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A NEW ERA IN CANADA

By J. A. Stevenson

THE opening of a new era in the political life of Canada is virtually assured now that Mr. Mackenzie King, addressing the National Liberal Federation at its recent annual meeting, reiterated his desire to be relieved of the leadership of his party, which he has held since 1919. He advised the party to hold a national convention without undue delay. True, following his habitual practice, he hedged his pronouncement with some mystifying reservations which can be interpreted as indicating a willingness to be "drafted" by the convention for another spell of office; but his intimates insist that he has no real desire for a fresh mandate, and arrangements for holding the Liberal convention in the late summer are now being made.

It would be premature to attempt any final appraisal of the value of Mr. King's contributions to the fortunes of his country since he came to Ottawa as a civil servant in 1900. Some years must elapse before the full fruits of many of his actions and policies can be garnered and judged on their merits. But even his bitterest opponents will admit that with the possible exception of Lloyd George the British Commonwealth has not in this century produced his peer as a political technician. Only a supreme master of the arts of political legerdemain could have achieved the remarkable and paradoxical feat of securing, mainly by the support of Roman Catholic conservatives (as most of the voters of French Canada are), a prolonged ascendancy for Liberalism in an age when it had ceased to be an effective political force in other countries. Only a virtuoso endowed with superlative dexterity and tireless pertinacity in the craft of manipulating public opinion and suppressing unpleasant issues could have survived three grave political scandals which occurred while ministries led by Mr. King were in office: the customs scandal of 1925; the scandal of the so-called constitutional crisis of 1926; and, worst of all, the scandal of the Beauharnois power contracts, involving valuable power rights on the St. Lawrence and a contribution of over $700,000 to the Liberal Party's campaign fund before the 1930 elections. These episodes would have ended the career of most political leaders, but Mr. King was fortunate in the blunders of his opponents and secured fresh mandates.

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The cold eye of history will nevertheless take scant account of Mr. King's amazing success as a winner of elections when it examines the record of his statesmanship. That record has some blemishes. The gravest count against him will be in the field of foreign policy, of which, as Minister for External Affairs, he took personal charge in all his administrations up to 1946. During the decades between the two world wars he was the only Liberal, apart from Field Marshal Smuts, who enjoyed real political power in the British Commonwealth of Nations. Succumbing to the influence of the isolationists of Quebec, this leader of Canadian Liberalism gave only lukewarm support to the League of Nations, which was a great liberal experiment, and in 1935 he actually dealt a deathblow to its authority; for after the Canadian representative in Geneva had moved a resolution for the enforcement of oil sanctions against Italy, Mr. King's Government repudiated his action, with the result that the resolution was withdrawn and a chance of curbing Mussolini's aggressions was lost.

By profession, Mr. King was and is an ardent nationalist and anti-imperialist, but in his relations with British Governments he has all too often been a timorous colonial. If, when he regained power in 1935, he had made one brave speech insisting that the British Commonwealth must uphold the system of collective security with all its combined resources and stand up to the dictators before it was too late, the British Government then in office, dominated as it was by Conservatives, who always profess great concern about the attitude of the Dominions, would not have dared to persevere with the calamitous policies of appeasement upon which it had embarked. Mr. King's reinforcement of Mr. Churchill, Mr. Attlee and other opponents of these policies would have been decisive. Instead, fearful of the consequences of a European war for his own domestic political fortunes, Mr. King was content to acquiesce complaisantly in the fatal retreat before Fascism, engineered by a Tory Ministry, the worst that Britain has known since the days of Lord North. As a war leader he was reasonably effective, for he had the good sense to give efficient ministers a free hand for managing their departments; but his vacillating courses about recruiting policy for the armed forces of Canada revived in acute form the racial cleavage which has so often bedevilled Canadian life.

By far the greatest item on the credit side in Mr. King's balance

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sheet is his lifelong interest in industrial problems and social reforms. He has been able to remedy in some degree Canada's backwardness in the latter field. And it was also fortunate during the war that Canada had in office a statesman who had always favored close coöperative relations between his own country and the United States and was able to promote them by his personal friendship with Franklin D. Roosevelt.

On the surface, the parliamentary position of the Liberal Party, which has been continuously in power since 1935, looks very precarious. In a House of Commons of 245 members it has only 127 reliable supporters. In reality it is reasonably secure, because the wide cleavage between the ideologies and practical programs of the three opposition groups — the Progressive-Conservatives, the Coöperative Commonwealth Federation and the Social Crediters — makes the combination of the three on any important issue very difficult. Indeed, in any division one of the three can usually be counted upon to vote with the Government. At the last general election the Liberals won a parliamentary majority with a minority of the total popular vote, but recent by-elections and Gallup polls reveal that they have still a substantial lead in popular favor over any of the opposition parties.

But this situation does not prevent deep misgivings among sincere Canadian Liberals about the moral health of their party, and they would fain have seen the eloquent dissertations of Mr. King about the glorious principles of Liberalism matched by firm anchorage for them in the policies of his Government. There have been many grave departures from them, such as the failure to exercise the federal authority's right of veto against the monstrous "padlock law," passed by the Duplessis Ministry of Quebec, which obliterated fundamental freedoms of the press; the denial of elementary rights of justice to the persons arrested for complicity in the espionage activities of the Russian Embassy at Ottawa; and the harsh and unjust treatment meted out to the Japanese nationals of Canada during the war years. Nor has there been much fidelity to Liberal tenets in the economic sphere. The drastic trade restrictions of the King Ministry's new austerity program have lately been branded by the *Winnipeg Free Press*, the leading Liberal paper of Canada, as "viciously protectionist." "What's wrong with the Liberals?" was the theme of an article written for *Maclean's Magazine* by a prominent Liberal, Major C. G. Power, M.P., who has sat in the Commons

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since 1917 and who during the war was an efficient Minister for Air before his resignation from the King Cabinet in 1944 on a question of principle. He arraigned his party for "expediency and backsliding," which he traced to "the office-holding mania."

Though personal popularity has always eluded Mr. King, the fact remains that he has led one of the historic parties of Canada for 28 years and held the office of Prime Minister longer than any of his predecessors. This inevitably has given him the halo of a political Nestor, and his retirement will leave an enormous vacuum in Canada's public life. Great changes are to be expected.

The Liberal Party is fortunate in having a number of competent and experienced politicians available for its leadership. On the score of seniority in the ministerial hierarchy, Mr. Ilsley, the Minister of Justice, and Mr. Gardiner, the Minister of Agriculture, have both strong claims; and Mr. Howe, now Minister of Trade and Commerce, would be a popular choice with the business and financial worlds. But now that Mr. Louis St. Laurent, the Minister for External Affairs, has decided to remain in public life and has intimated his willingness to accept the leadership if it is offered to him, he has a clear lead over all other competitors. At a Liberal convention he could count upon the solid support of his racial compatriots from French-Canada, whose influence in the councils of Canadian Liberalism can be gauged from the fact that out of the 127 regular supporters of the King Ministry in the present House of Commons no fewer than 80 are either French Canadians or owe their seats to a solid bloc of French Canadian votes. Moreover, since Mr. St. Laurent, whose mother was Irish, is singularly free from the extreme racialism which afflicts so many French Canadian politicians, and speaks English with the same facility as French, he will get the votes of many delegates from the English speaking provinces. These realize that a leader who is certain to carry all but a fraction of the federal seats in Quebec, increased from 65 to 73 by the latest Redistribution Bill, could lay a good foundation for another Liberal victory. His one serious disability is his age, 66 on February 1 of this year. Many of the younger Liberals in English-speaking Canada would prefer to entrust the destinies of the party to a leader on the right side of fifty. But all the omens indicate that unless Mr. King changes his mind Mr. St. Laurent before the end of 1948 will become the second French Canadian to be Prime Minister of Canada.

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Mr. St. Laurent is by far the ablest and most attractive politician that Quebec has sent to Ottawa since Sir Wilfrid Laurier died and Henri Bourassa retired to private life. He rose in his profession to be a recognized leader of the bar of Quebec and enjoyed nationwide prestige as a first-rate counsel, but although he had always been a strong Liberal he had never sought public office or taken any active part in politics until in December 1941, when he was on the verge of his sixtieth birthday, Mr. King persuaded him to leave his large law practice and take the post of Minister of Justice. Within a year he had effectively refuted the common theory that eminent lawyers who take to politics late in life seldom attain the front rank. He became one of the most formidable debaters on the ministerial front bench and no lawyer of his quality has been in charge of the Department of Justice for many a long day. Mr. King came to regard him as his ablest colleague, and in 1946 when he found that the burden of the Ministry of External Affairs was too heavy to carry along with the duties of the Premiership, he handed over the former to Mr. St. Laurent. In the arena of international politics Mr. St. Laurent has so far acquitted himself with marked credit.

The Liberal Party under Mr. King has followed a path right of center, and under Mr. St. Laurent, whose work as a counsel for large corporations has given him kindly feelings for "big business," it will not be allowed to move far leftward. On the tariff issue he can be classified as a moderate protectionist and he is strongly opposed to socialistic experiments; but he has been a consistent advocate of the Government's social security program, of which one item, the system of family allowances, is very popular in Quebec, where families are notoriously large. As a devout Roman Catholic he disapproves of the liberalization of the divorce laws of Canada, which are absurdly archaic, but in politics he is no docile lackey of his Church, as he proved when, in defiance of the wishes of the Roman Catholic hierarchy of Quebec, he voted in the Assembly of the United Nations for the condemnation of the Franco régime in Spain.

Mr. St. Laurent may not be able to match the skill of Mr. King as a political mechanician and under certain circumstances might have difficulty in preserving the unity of the Liberal Party, but he will lead it with ability and distinction and maintain the best traditions of Canadian public life. He will have to reorganize the Cabinet, as some of its older members want early release from

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the cares of office, and he will inherit the difficult economic problems involved in the maintenance of Canada's present high scale of prosperity. He has been one of the architects of the drastic new austerity program, devised to cope with the acute crisis produced by the shortage of American dollar exchange, which has impaired the popularity of the Government. Its measure of success will have an important bearing upon the fortunes of the Liberal Party at the next general election. There is likely to be a swing of the pendulum against a party which has been in power more than a dozen years; and failure of the austerity program might well give the extra momentum to this "normal" swing and terminate the long ascendancy of the Liberals.

II

In 1941 the Conservative Party of Canada prefixed the word "Progressive" to its name — a sign of the serious recession in fortune which it had undergone from the position enjoyed by it for nearly 70 years after Confederation. During that period it was always able to compete on even terms for the popular vote with its historic rival, the Liberal Party, and to secure an equal share of power. The decline in its fortunes began in 1917. At that time its French Canadian supporters, who in the days of Sir John Macdonald had been the most solid core of its voting strength, became so antagonized by the imposition of military conscription by a Coalition Ministry headed by a Conservative Prime Minister, Sir Robert Borden, that they seceded almost en masse to the Liberal Party, which under Laurier opposed conscription. Since then there has been no recovery by Conservatism of its lost legions in Quebec. Only in one federal election, that of 1930, when special circumstances enabled the late Lord Bennett to carry some 24 seats in that province, has the Conservative Party been able to make any serious dent in the walls of what has been for 30 years the chief stronghold of Canadian Liberalism. Today the Conservatives have only two representatives from Quebec in the federal House of Commons and not a single spokesman in the provincial legislature; and its organization is for all practical purposes defunct in many constituencies in the province. The cold unescapable truth is that as long as votes for the Progressive-Conservative party of Canada cannot be drawn in substantial numbers from the fundamental reservoir of conservatism, which is French Canada, there are not enough Conservatives available

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in the rest of Canada to provide a working majority at Ottawa.

After the retirement and departure for Britain of Lord Bennett in 1937 the fortunes of the Conservative Party deteriorated steadily under leaders of inferior caliber. An effort was made to repair them at a national convention of the Party held in Winnipeg in 1942, when a new program which moved the Party slightly leftward was adopted and the progressive label was affixed. A surprising choice of a new leader was made in the person of Mr. John Bracken, who, styling himself a "Liberal Progressive," had made his political reputation by an uninterrupted tenure of the Premiership of Manitoba for 20 years. The motive behind this choice of a politician whose only previous sign of sympathy with Conservative policies had been his outright condemnation of the recruiting policies of the King Ministry, was reasonably intelligible. In the urban communities thousands of industrial workers, whose interest in the protection of industries had made them vote Conservative, in recent years had been allured by the Socialist program of the C.C.F. The managers of the Conservative Party cherished the idea that Mr. Bracken, who had been head of an agricultural college before he entered politics and who had been a persistent champion of the cause of the western agrarians, would be able to compensate the Party for its loss of urban support by attracting to its banner a large number of Liberal agriculturalists.

At Ottawa Mr. Bracken has proved himself an honest and industrious party leader, but he has so far failed to capture the imagination of the country. Moreover, the small number of rural seats which the Conservatives gained in the general election of 1945 did not measure up to the hopes of his sponsors. The Party did nevertheless at that election secure some reinforcement of both the numbers and the quality of its representation in the House of Commons. During the last two sessions of Parliament it has performed with creditable efficiency the duties of an official opposition, for which it showed deplorable incapacity during the war years. In its policies it lays greater stress than the Liberals upon the maintenance of the solidarity of the British Commonwealth and the encouragement of immigration, and it also favors a higher scale of tariff duties; but the other features of its program are almost indistinguishable from the prescriptions of Liberalism and, lacking any definite philosophy as a guide to its actions, it has exposed itself to the charge of barefaced opportunism on a number of issues.

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One wing of the Party would like to raise issues like the encouragement of immigration from Britain, which would make the next election turn upon the domination of French Canadian influence at Ottawa. But Mr. Bracken, a very cautious man, has preferred to disregard the numerous rebuffs received at the hands of the French Canadian voters and to persevere with an assiduous wooing of Quebec. For this enterprise no headway can so far be recorded. But at the same time the Progressive-Conservatives have a potential ally in Quebec in the shape of the Union Nationale Party. This, as the main opposition force to the Liberals in Quebec, has filled the vacuum created by the virtual disappearance of the older Party except in a few urban constituencies where English-speaking voters are in a majority. Under the astute leadership of the present Premier of Quebec, Mr. Maurice Duplessis, it secured control of the provincial legislature in 1939 and held it for more than three years; and after an interval of opposition it regained it in 1944. Recent by-elections indicate that it has gained rather than lost favor with the Quebec voters.

Premier Duplessis was originally a Conservative and his attitude towards workers on strike and some of his measures like the notorious "padlock law," previously referred to, would seem to brand him as a thoroughgoing reactionary. Yet he is tied to no fixed moorings of principle and not long ago, despite his persistent fulminations against Socialism, he brought under public ownership the Montreal Light Heat and Power Co., the largest power corporation in the province. On the war and other issues he has been an inveterate enemy of the Liberal Ministry at Ottawa, but so far he has preserved complete neutrality in federal elections and refused to put the well-disciplined machine of the Union Nationale Party at the disposal of the Progressive-Conservatives who pleaded for his help. Now, however, he has come into sharp collision with the King Ministry over its scheme for a much greater centralization of financial control at Ottawa. The theory behind this plan is that the benefits of the ambitious program of social security which the Liberal Party has sponsored must be distributed on the same basis to all the citizens of Canada and that this aim can be achieved only through the agency of the federal taxing power; in no other way could the wealthier provinces be made to contribute to the needs of the poorer. Naturally such a scheme appeals to the poorer provinces and seven of them have been induced to sign agreements with

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the Federal Government. Under these agreements they have undertaken to withdraw completely from certain fields of taxation, income tax and death duties, in return for a very substantial enlargement of the annual subsidies paid by the Federal Treasury to the provinces under the pact of Confederation.

But Ontario and Quebec, which between them contain more than two-thirds of the total population of Canada and hold within their bounds an even larger proportion of her wealth and industrial power, do not relish the idea of functioning as milch-cows for the benefit of the poorer provinces. As a result, the Duplessis Ministry of Quebec and the Progressive-Conservative Ministry of Colonel Drew in Ontario have made common cause in refusing their acquiescence to this plan. Both Mr. Duplessis and Colonel Drew take the ground that, if control of two of the most important sources of provincial revenue is handed over to the federal authority, the provincial governments, reduced to the status of pensioners of Ottawa, will be tied hand and foot in the formulation of policies on many questions. As a result, they argue, the basic structure of Confederation, which sought to provide a large measure of local autonomy for the provinces, would be irretrievably undermined with disastrous results. This argument is particularly powerful in Quebec, where the French Canadians have been traditionally jealous of their provincial rights; and Mr. Duplessis has been ringing the charges upon the thesis that if any further aggrandizement of Ottawa's authority is permitted the appetite of the centralizers will be whetted for more power and sacred French Canadian rights in religion and education might soon be in jeopardy. The evidence of recent provincial by-elections in Quebec, in which Mr. Duplessis, an able demagogue, intervened personally to make this question of greater centralization the main issue, has indicated that his attitude is popular with the French Canadian voters; for the Union Nationale Party captured what was regarded as a safe Liberal seat and increased its majority in another. Meanwhile in Ontario Colonel Drew has been crusading on similar lines and a recent deal about power developments on inter-provincial rivers is interpreted as further evidence of the rapprochement which has developed between the two provincial premiers.

At present the Progressive-Conservative Party at Ottawa has contented itself with criticisms of the details of the King Ministry's scheme, largely because Mr. Bracken's endorsement of its

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chief features, when he was Premier of Manitoba, debars them from outright opposition to it. But a considerable element in the party feel that not only is Mr. Bracken's commitment on this issue a great handicap but that his general leadership is not sufficiently forceful. They would like to replace him as federal leader with Colonel Drew, a much more aggressive politician. The hope would be that if Colonel Drew, as leader of the opposition at Ottawa, could make provincial rights the dominating issue of the next general election, Mr. Duplessis would bring into action for it in Quebec his well-oiled provincial machine and that between them they could sweep their two provinces which together will return 156 out of the 255 members of the next House of Commons; they then could install a Progressive-Conservative Ministry at Ottawa.

Such an alliance has obvious possibilities, but its permanence would be doubtful. For one thing, Colonel Drew is an ardent imperialist who wants to solidify Canada's connection with Britain and the rest of the Commonwealth, while Mr. Duplessis is an equally ardent isolationist who went so far as to oppose Canada's participation in the late war. Again, Colonel Drew, challenging the authority of the Federal Government to control immigration, has been bringing in British immigrants to Ontario by air and Mr. Duplessis must take cognizance of the ingrained hostility of the French Canadians to any special encouragement of British immigration. But even a Liberal paper like the *Winnipeg Free Press* says it would welcome in the national interest some invigoration of the policies and leadership of the Progressive-Conservative Party.

III

The Socialist Party of Canada bears the clumsy title of the Coöperative Commonwealth Federation and is popularly known as the C.C.F. It has a valuable asset in its leader, Mr. M. J. Coldwell, a native of England, who is by common consent the ablest parliamentarian in the House of Commons and is highly respected throughout the country. He has the rare gift of being able to present radical views in moderate language, and though he remains an idealist he has also mastered the arts of politics. His party's contingent of 28 members in the Commons is not a fair representation of its popular strength, but it cannot offer any serious challenge to the two senior parties until it increases its

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present negligible following in the territory lying east of the Ottawa River, which returns about two-fifths of the present membership of the federal House of Commons. Recent by-elections show that it has been gaining ground in the Maritime provinces, but in Quebec the frowns of the Roman Catholic Church upon Socialism keep it a feeble plant.

The C.C.F. had drawn its chief support from the urban areas and mining areas and made little headway in the rural districts until in 1944 the voters of Saskatchewan, of whom two-thirds are agrarians, not so much through enthusiasm for Socialism as from disgust with the activities of a discredited Liberal political machine, ejected its local controllers from office in a provincial election and gave the C.C.F. the first chance in Canada for the practical application of a Socialist program. The C.C.F. Ministry was headed by a Scottish-born clergyman, T. C. Douglas, who had made a good reputation in the federal Parliament. His Ministry, living up to its pledges to build a new economic order for Saskatchewan on collectivist lines, has already passed a series of measures which are viewed askance in financial and industrial circles in eastern Canada.

The Douglas Ministry has inaugurated a state medical service, gone into the insurance business, established a Power Commission which aspires to control all the power plants in the province, and set up a transportation company to run bus services. It has also embarked upon state-owned enterprises for manufacturing woollen goods, footwear, boxes, clay products and tanned goods and has created timber and fish boards and a fur-marketing service. From its inception, the Power Commission has been able to show good profits; and spokesmen of the Ministry, while admitting a few failures among the other collectivist ventures, claim for the majority of them a creditable success now that initial handicaps created by shortages of raw material and skilled labor have been overcome. But critics of the Ministry contend that its accounting methods in connection with these enterprises are not in conformity with the practices of sound business management and that the effort to emancipate the people of Saskatchewan from subservience to the eastern manufacturing interests will in the long run prove very costly. Nevertheless, on the evidence of by-elections, it seems still to have the approval of the agrarian voters of the province; while the Liberals, now under a new leader, Mr. W. E. Tucker, seem to have so little confidence

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in their ability to win the next provincial election on their own account that they are now adopting tactics followed successfully by their brethren in Manitoba and British Columbia and trying to work out a coöperative arrangement with the local Conservatives. Meanwhile, the C.C.F. leaders in Canada are finding that the difficulties of the Attlee Ministry in Britain and the superabundant prosperity of the United States under a system of free enterprise handicap their efforts to make converts to their creed. If the slump predicted by Moscow descends upon the North American continent, it would bring grist to the mills of the C.C.F.

The C.C.F. has no more bitter enemies than its two smaller competitors for the Leftist vote of Canada, the Communists and the Social Crediters. The former, who now disguise themselves under the label Labor-Progressive, have no longer any representation at Ottawa, since their solitary member in the Commons, Mr. Rose, was sentenced to imprisonment for his activities as an agent of the Russian Embassy and subsequently expelled from Parliament. His complicity and that of other Communist leaders in subversive plots has brought their whole party into disrepute. It still has a hard core of fanatical supporters, who toe the line dictated from Moscow, but its membership has shrunk seriously and its recent attempt to start a daily paper in Toronto has proved a complete fiasco and been abandoned. So at the moment the Labor-Progressive Party has only a nuisance value.

The Social Credit Party has controlled the provincial government of Alberta and carried most of the federal seats in the province regularly since it made its sudden debut in a provincial election in 1935. It has given reasonably honest and efficient administration to Alberta and the popularity which its compulsory cutting of interest rates on public and private bonds has earned with the debtor classes has helped it to gloss over its complete failure to inaugurate any system of Social Credit. Blame for this failure is placed at the door of a sinister conspiracy of the Federal Government, the eastern financial interests and a servile biased judiciary, which has pronounced much of their monetary and other legislation unconstitutional. Up till two years ago, the Social Credit Party had few followers outside of Alberta, but it has now created for itself a nationwide organization and seems to have made a substantial number of converts in French-Canada, where some of the younger Roman Catholic clergy, forbidden by their superiors to espouse the Socialist cause, are

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attracted by its bizarre creed. At any rate, a year ago a youthful candidate who professed the Social Credit faith and was backed by a local organization called "La Union des electeurs du Pontiac" created a political sensation by wresting from the Government the Pontiac division of Quebec, regarded as a safe Liberal seat. Encouraged by this success, "Unions des electeurs" have emerged in other constituencies in Quebec, and the Liberal press charges that the Progressive-Conservative leaders, despairing of gaining any seats in Quebec with their own candidates, are giving surreptitious encouragement to this new movement as a potential ally against the Liberals. But outside of Alberta and Quebec the Social Credit Party has suffered in prestige from the sorry figure cut at Ottawa by its present contingent of 14 members, led by a gentleman of the Mormon faith called Solon Low. They weary the House with their persistent advocacy, in an unintelligible jargon, of their pet panacea for the social and financial ills of the world and their contributions to debates on other subjects have been pathetically puerile. Their favorite thesis is that a gang of wicked international financiers hold the whole world in its baneful grip and that the United Nations and its affiliated organizations are simply instruments devised by these villains for the perpetuation of this control. Most of them, believing that Jews dominate this sinister ring of financiers, are violent anti-Semites; their antipathy to internationalism in any shape or form makes them ardent imperialists; while their loathing of Socialism makes them hot-gospellers of the system of free enterprise and opponents of collectivism.

One of Canada's great needs is the creation of a vigorous leftist party commanding nationwide support; but this cannot be accomplished as long as the voters of the Left split up into three separate factions which waste their energies in mutual warfare. In these feuds personal enmities play a considerable part, but some day, helped by the operations of mortality, a consolidation of the leftist vote of Canada behind a single party will be achieved. When that time arrives, the Liberal and Conservative politicians will move swiftly to terminate their present competition for the rightist vote and merge their parties. Beneficial results will be the restoration of the bi-party alignment which prevailed till 1921 and the establishment of a healthier condition in Canada's political life.

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THE CASE FOR THE FREE MARKET

By Jacques Rueff

FOR the men who lived before 1914 the western economic order represented a final conquest by the modern world. That there should be famine or that money should not be convertible seemed to them as inconceivable as a change in the movement of the stars. Some of them recognized that the division of wealth permitted the existence of grave social inequalities and that the cycle of periods of prosperity and of depression inflicted sufferings on large sections of the population which nothing justified. But no one imagined that it could become necessary to ration foodstuffs for a lengthy period, if not indefinitely, or that a considerable mass of the people could, for several decades, be condemned to unemployment. Even in 1918 expert opinion believed that there would be a rapid return to prewar conditions, and the possibility of large-scale monetary depreciation was not taken seriously.

But the order which our fathers thought so durable was slipping away under their feet. The disorders first appeared in isolated patches, painful but localized. In France in 1919, for example, it was discovered with astonishment that living accommodations (the price of which was controlled) could not be found. At the end of 1920 unemployment made its appearance in England. This created no surprise because it followed an economic crisis, and an upset in price movement had always been accompanied by unemployment. At the end of several months, as in earlier crises, unemployment began to decrease. But the factor which was new was that in 1924, when the fall in unemployment came to an end, there were still more than a million unemployed workers in England. The number of unemployed practically never fell below this level until 1939.

Opinion noted these unhealthy symptoms, but since it did not believe they were permanent, it did not at first attach great importance to them. The explanations put forward for the housing shortage were wartime destruction, population movements, the interruption in building, the change in the nature of demand. The explanation of unemployment was the closing of certain markets as a result of political changes or industrialization of undeveloped countries, the replacement of coal by oil or water

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power, technical progress causing the replacement of men by machines. The characteristic common to these various explanations lay in their quantitative nature: there was a crisis because supply or demand had changed.

A young economist (the author of this article) published in 1925 an unusual diagram showing that from 1919 to 1925 there had been a close correlation between the fluctuation of unemployment in England and that of real wages, defined as the ratio of the wage index to the index of the general price level.[1] In 1931 he brought his graphs up to date and pointed out that the correlation still existed and that, in fact, it was sufficiently accurate to enable effective forecasts to be made of the fluctuation in unemployment in England, on the basis of the wage index and the price index.[2] At the same time, Lord Stamp — then Sir Josiah Stamp — noted in an article published in the *Times* [3] the accuracy of this correlation. It continued until 1939 and formed one of the most solidly based of economic phenomena. Unemployment in England thus appeared as a manifestation comparable to the housing shortage in France; in the first case, minimum prices had maintained a surplus of supply, in the second, maximum prices had caused a surplus of demand.

Many economists, particularly in England, did not accept this thesis. Some busied themselves, not in questioning the existence of the relation pointed out but in refuting the lessons to which it seemed to lead. But if opinion neglected the theory, it could not fail to be profoundly affected by the fact. No one can paint in sufficiently strong words the suffering and demoralization inflicted by permanent unemployment, and, above all, no one can overemphasize the influence which permanent unemployment exercised on the development of ideas between the two wars.

In the social domain it made general the feeling that the liberal system had become inadequate for the new structure of the economic world. It led many generous minds to believe that a system which permitted the existence of such anomalies and inflicted such suffering was indefensible. It prompted an overwhelming desire for change in the existing system. With extraordinary rapidity the idea that the price mechanism had become

[1] *Revue Politique et Parlementaire*, December 10, 1925.
[2] *Revue d'Economie Politique*, March–April, 1931.
[3] *The Times*, June 11 and 12, 1931.

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ineffective for establishing and maintaining economic order became general. This consensus expressed itself in measures aiming at abolishing the hard law of prices. The period 1920–1930 saw an unprecedented development of producers' associations, trusts and cartels, which under various pretexts (all nominally in the general interest) aimed at "disciplining production." Economists concentrated their attention on "rationalizing" the social structure, that is to say, on the search for procedures making it possible to replace the blind price mechanism by the conscious will of men. The Macmillan Committee, which investigated the causes of the economic depression, gave the clearest expression to these new tendencies: "The essential characteristic of our age," it stated, "is the development of the knowledge which we have acquired of ourselves. Both in regard to our financial institutions and to our political or social institutions, we would appear to have reached the stage when a régime of conscious organization ought to succeed to the age of spontaneous development. We are at the crossroads, and the future depends on our choice." Nevertheless, the achievements which these aspirations inspired at the time — at least in western Europe — were all limited in their object and their extent.

The scope of the program and its practical possibilities completely changed after an event in the summer of 1931, the immense historical importance of which was not suspected by those who witnessed it. This event was the forced immobilization of short-term capital in Germany, under the auspices of the great liberal Powers, the forerunner of exchange control. After the First World War the great waves of currency depreciation had been considered irresistible forces — the unavoidable results of the disaster of war. Germany, Austria, Hungary, Poland and, to a lesser extent, Italy and France, experienced such depreciation of their currency. By reducing and in some cases by wiping out monetary obligations, and by stimulating exports and discouraging imports, it constituted a genuine process of financial restoration. But the suffering and injustice which inflation inflicted left a tragic memory, and imbued the peoples affected by it with the firm resolve to avoid a repetition of the experience at all costs.

In the spring of 1931 it became evident that the mark was again about to depreciate. To meet this danger, President Hoover proposed a one-year moratorium on war debt and reparations payments, and suggested that an international conference be

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held to save the German currency. This led to the "standstill" arrangements, which removed the principal source of the pressure exercised on the mark by laying down a plan for the slow but progressive repayment of the credits invested in Germany.

But any repayment of credit also removes the possibility of importing. Anxiety to maintain the rate of the mark therefore compelled the Reich authorities to control imports into Germany and to stimulate exports. And authoritarian control of imports and exports is inconceivable without authoritarian organization of the whole of production. It was thus that the London decision set in train the whole monetary policy attached to the name of Dr. Schacht, though its authors did not realize that.

To distinguish the new policy from the one which almost all European states had followed from 1920 to 1930, it is sufficient to point out that the latter left exchange rates free to fix themselves at the level which ensured the balance between the supply and demand for foreign exchange placed on the market — after application of more or less effective controls — while the former aimed at fixing the supply and demand for foreign exchange placed on the market at the level necessary to maintain the existing rate of exchange. The first policy entrusted the establishment of the balance in international settlements to fluctuations in the price of foreign currencies, the second to the authority of the government. The extent of the change which had taken place in men's minds can be clearly seen if we remember that after the First World War none of the states faced with a currency depreciation had thought of maintaining its currency by repudiating its obligations.

The policy recommended for Germany was soon adopted by a great number of debtor countries. Faced with the choice between depreciation of their currency or suspension of the service of their debt, they chose the second solution. England alone chose the first. But it was to be Hitler's privilege to draw all the conclusions implied in the solution put forward by the Conference of London. His program required that he should arm without limit. Abandoning all care for a balanced budget, he therefore spent without levying the necessary revenue, and obtained from discount of treasury bills the resources which he could not obtain from taxation or loan. Such a policy would normally have implied a constant rise in prices and exchange rates. But the experience derived from the "standstill" agreements showed that it was

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possible to maintain the exchange rate of a currency indefinitely, provided that the demand for that currency was limited. Hitler applied this lesson to the whole market. He decreed a general immobilization of prices. To ensure that the procedure be effective, he introduced in 1933 the system which forbade producers of every kind, including businessmen, workers and people with savings, to use their productive power in the way that market prices rendered most profitable. Instead, he obliged them to use it in the way that the state thought necessary for the satisfaction of certain public and private needs. Since producers had to be compelled to take such a course, he organized agriculture, industry and commerce hierarchically and regimented all workers.

The majority of European states were forced to set up a similar system during wartime. The costs of the war or the charges imposed by the occupying Power brought heavy deficits. Desiring to avoid the disorders of inflation, all of them were compelled to immobilize prices and neutralize the excess in purchasing power by means of rationing. All productive forces were completely controlled. In France, for example, the Vichy Government was required to turn over 400,000,000 francs each day to the occupying authorities, and since this sum could not be raised either by taxes or loans, it imposed a corporate system of agriculture, a network of committees supervising industry, and compulsory labor service. The productive forces of the country were grouped in a military hierarchy.

The system was to a large extent effective everywhere. In Germany and the occupied countries it was enforced by the Gestapo, through a system of informers and severe penalties for the smallest infraction of the orders of the planning authority. In England and other countries enjoying government by consent, the system was sanctioned by motives of patriotism, and by the feeling that the restrictions imposed by the government were necessary in a fight for survival. And the policy of economic organization was facilitated in every country by the circumstances inherent in a state of war. The demands of individuals were reduced to the minimum; production was simplified by the standardization of products; the state held a monopoly of transport and a monopoly of imports, and it could exercise strict postal censorship and could offer labor a choice between performing the tasks allotted it and military service.

In all belligerent countries the system began to produce a new

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type of man who no longer acted after weighing advantages and disadvantages, profit and loss, but who did what he was ordered to do, like a soldier. The need for such sacrifices was accepted as an unavoidable part of wartime conditions.

II

The end of hostilities completely changed the situation. In all the German-occupied countries the Gestapo disappeared. The police force which remained did not have at its disposal the chain of informers, the postal censorship or the apparatus of torture which had revealed violations of the system to the German inquisitors. Penalties could be imposed only by a decision of a court of justice after a breach of the law had been committed. When the concentration camps disappeared, there also vanished the threat of arbitrary punishment, which had covered a man's intentions as well as his actions, and extended not only to opposition to the decisions of authority but even to slackness.

From the moment of liberation, the agricultural corporative system, the Committees of Organization and compulsory labor service were violently rejected in the occupied countries. In countries which had not been conquered, the instruments of economic organization remained, but their effectiveness declined greatly because people no longer felt that such sacrifices could legitimately be demanded of them. At the same time, industry began to try to meet more than the bare minimum of private needs, and the productive machine lost its wartime simplicity. Finally, in every country exhaustion undermined public spirit and resulted in an easygoing atmosphere.

For all these reasons the system of economic organization in most of the countries of the world was greatly changed. Large-scale and nationalized industry remained more or less subject to direction, but most medium and small undertakings, and all independent workers and producers, freed themselves from public control in practice, and usually in law as well. Farmers were now free in the choice of their crops. Labor once more became entirely free to choose jobs and employers. And though England recently attempted to reëstablish a system of governmental direction of labor, the suggestion that this should be done in peacetime shocked the modern conscience, and it remains to be seen how effective the attempt will be. Very importantly, consumers lost much of their respect for the rules governing rationing. In the

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countries of continental Europe, at present, the effort to control production and restrict demand by rationing no longer affects more than a small number of markets. In most it is no more than a façade behind which producers and consumers act with complete freedom.

It is said that regulation in England is more strictly respected, but even there governmental decisions are by law applicable to only a limited sector of the economy and leave individuals — agricultural laborers, skilled and unskilled workmen and businessmen — with a degree of choice as to the way they use their powers of production. To say today that in western Europe production and consumption are organized by the state is to close one's eyes to reality. In a large majority of cases, production and consumption are what individuals, in the circumstances under which they are living, wish them to be.

Nevertheless, in many European countries a great number of prices, as well as all wages and nearly all the rates of exchange, remain fixed by the state and, so far as possible, immobilized. Moreover, it is clear that the maintenance of price control is not only desired by governments but also by a large part of the people. The latter believe — unfortunately only too justifiably — that the great deficits and the excess purchasing power that are the legacy of war would inevitably give rise to great and probably unlimited price increases if fluctuation were permitted. This feeling is strengthened by the memories of past inflation during which wages always lagged behind prices, and it is strengthened by the knowledge that such an increase in prices brings unjustifiable profits to holders of stocks. What is surprising, however, is that it is supported by the peculiar doctrines of a number of economists more anxious to follow opinion than to guide it, who teach that the remedy for the evil is to intensify it.

Thus at the very moment when men were again becoming more and more free to decide their economic behavior on the basis of market conditions — that is, on the basis of prices — prices themselves remained fixed by governmental action at different levels from those which, through the interaction of producers and consumers, would have brought the market into balance. Price control tended always to maintain prices below the level at which a free system would have established them. As a result, demand always remained above the value of supply, and the impression of shortage was created in fields where it

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need not have existed. Of course, there were and are real shortages: the destruction resulting from the war (and a disastrous harvest) reduced existing supplies cruelly. But control of prices in a period of deficit does not lessen shortages; it simply makes it possible for consumers to continue to demand more than can be supplied on the market. This is the explanation of the paradoxical uniformity of shortage. Not only bread and meat are in short supply, but also books, camera films, hotel accommodations, and seats in railways, theaters and cinemas. Universal price control has standardized the situation which existed before the war in France in the sphere of housing. It is often said that prices will be freed when there is sufficient production. That is the same as saying, as is said in France about the rents, that there will be a free market as soon as there are enough flats. But everyone knows that so long as rents are held down there will be no flats available.

At the same time that the freezing of prices maintains unsatisfied demand it destroys the regulating influence which price fluctuations in a free market exercised on the way in which means of production are used. During the last war, as during this one, entire regions were devastated, but after 1918 the increase of wages in the workshops of the devastated areas, and of the price of all materials which they used, attracted a considerable army of workers and led to a veritable fever of reconstruction. The control of wages and of prices after this war prevented the often scandalous profits derived last time from the exploitation of the devastated areas, but it did away with any real reason for workers to give up their current employment and to accept the risks of a new trade of limited duration and the uncomfortable accommodations which made family life impossible.

In the same way, industry has not found the stimulus which would have induced business men to intensify production and to accept new investment of a nature to make the necessary expansion possible. Hence the lethargy in reconstruction in all the areas ravaged by war.

Coal supplies another example. The problem here is not to equal 1938 production but to exceed it considerably. In a system of free wages the urgency of the need would have raised the pay of miners to the level necessary to attract a sufficient labor force to the coal mine despite the unattractive nature of a miner's

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life. And rising prices would have raised the profits from the industry to the level necessary to encourage the capital investment which is indispensable for the increase in production. Instead of that, wages and prices have been strictly controlled. Since men are now practically free in the choice of their trade, it has been impossible to raise the labor force in the mines to the level which the well-being of Europe requires. And the price of coal has been maintained at a level which not only fails to encourage the mining industry to accept the enormous effort of investment and modernization which is indispensable for expansion, but in addition induces users not to make a maximum effort to economize fuel. Price fixing in coal has thus discouraged production and encouraged consumption, a result exactly contrary to that which was desired.

Similarly, by failing to relate the stimulus to the need, price fixing has caused farmers to reduce their production to the level of their own needs and those of their families. Lack of an adequate return has prevented innumerable manufacturers from obtaining the maximum production from their machinery. And worst of all, it has caused workmen to lose practically all interest in the duration and intensity of their efforts, since, whatever their pay may be, their rations of all kinds of commodities will never be more than that which the state is pleased to grant them. Hence, also, illegal markets; for though the control of prices is crippling to the forces which would tend to adapt production to demand, it is never wholly effective in what it tries to do. When the official price is markedly lower than the price which purchasers are prepared to pay, a "black-market" arises. Because of the risks involved for black market operators, its prices are always on a higher level than those which would be established on a free market. When a product is vitally important — wheat in France, for example — the government maintains a relatively low price in order to try to maintain the standard of life of the workers and to discourage demands for an increase in wages, and it adopts strict measures to make the official price respected. But for products which affect the people's standard of life less directly — for example, the less important cereals in France — the official price is relatively higher and control is considerably less effective. Sometimes the price is free in law or in practice. The result of this is that farmers concentrate on these profitable crops. In other words, the kind of production which the state wishes to

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encourage is discouraged, and that in which the state is not interested expands.

In the same way, large-scale business, which is easy to control, is unable to escape price and wage regulations, while small business and the one-man producer can sell on the black market without any great risk. Presently, industries in the first category begin to show smaller profits and reduce their production, or perhaps become insolvent and close down. Small-scale production, however, prospers and expands. Price control thus promotes a form of economic Malthusianism, at the same time that it directs toward the satisfaction of secondary needs the forces which it diverts from vital production.

The disturbing effect of price control is nowhere more clearly shown than in the sphere of international exchange. The immobilization of the rates of exchange at a level below that which would be assured by the balance of the market discourages export and often entirely closes foreign markets. For example, it is certain that so long as prices and rates of exchange remain fixed, countries which do not produce petrol will not enjoy freedom of motor traffic. On the other hand, it provides maximum stimulus to the desire to purchase abroad. It therefore inevitably creates a hunger for foreign currency. Further, the position will continue to deteriorate so long as exchange rates are thus artificially determined. The deficit has a continual tendency to increase those prices which are free as well as black market prices, with the result that production is more and more diverted toward the free or black markets, thereby increasing scarcity on the official markets.

The longer the present system lasts, the less its price tickets will be honored, the greater will be the falsehood it causes, and the greater will be the hardship it inflicts on the poor and the honest. The partially effective system of price fixing under which a great part of Europe lives today creates hunger, poverty and disorder.

In short, Europe's crisis is aggravated because, in the majority of the countries constituting Europe, men make decisions freely in that they are not coerced by the police, but they do so on the basis of prices which do not induce them to perform the actions which they must perform if there is to be economic order.

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III

If this analysis is accurate, there are two solutions to the problem. The first is to disengage the economic action of men from the price mechanism and compel them directly and by force to do what must be done to ensure economic balance; this is what I term the solution by planning. The second is to establish prices, or to allow them to establish themselves, at the level which will induce men to perform voluntarily the actions which will ensure economic order; this is what I term the price solution. Either solution is possible provided the conditions which determine its effectiveness are accepted.

A "plan" can be limited to certain articles, the price of which is fixed, provided the budget is balanced and the currency sound. If this is not the case, the plan will have to cover the whole economy, since the excess of purchasing power diverted from the controlled markets would turn to the free markets, where it would increase prices and all the disorders of inflation. Thus a plan fixes the obligations of producers and the opportunities of consumers. In that way it imposes on the plan-making authority a choice among innumerable alternatives. In time of war the state knows its own needs, and does no more than meet the subsistence needs of individuals. But in time of peace the greater part of the productive machine is devoted to the satisfaction of individual needs. The state must decide which ones are to be satisfied; that is, substitute its own choice for that of individuals. To simplify its choice, the state takes into consideration only average needs and average qualities. A planned economy ignores not only subtle distinctions, but also differences in kind. It recognizes neither Burgundy nor Bordeaux, neither beef nor mutton, but only wine or meat. It is inevitably a rudimentary economy, which can offer satisfactions very imperfectly adapted to individual taste.

But its essential feature is that it demands from producers and consumers alike actions different from those which market prices would make them want to take. Producers will have to be compelled to carry out the tasks which the plan lays down for them, and consumers compelled not to try to get more than the rations which it provides for them. This means that if the plan is to be more than window dressing, the behavior of all citizens must be subject to police authority, backed up by severe penalties for

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breaches of the regulations. If the plan is willed, the instruments for carrying it out must be willed also.

The price solution is the antithesis of this one. It ensures economic balance by giving to each individual the opportunity of molding a part of the productive machine by his demands. The price mechanism enables each consumer to impose distinctions on production and thus to force it to serve his own tastes. It thus constantly organizes a plebiscite of the holders of purchasing power. It is the instrument of economic democracy. The essential feature of the price mechanism is that it induces each individual to perform the actions which he ought to perform to ensure economic order, without force of any sort.

However, in order that free fluctuations of prices do not destroy the stability of the general price level, it is essential that a budgetary balance be assured. Some people fear that this need to keep the budget in balance causes systems which are founded on freedom of prices to be niggardly in public expenditures, particularly for social measures. But does anyone believe that nobody pays for expenditures which are met by deficit financing? They are paid for by the rise in the general price level, that is, by levies made on the holders of fixed incomes and of assets payable in money, and therefore without regard to social justice and with no exemptions at the foot of the ladder. A system of free prices simply compels governmental expenditures to be covered consciously. It does not rule out the possibility of social intervention. All it rules out is the possibility of giving without stating that something is being taken to pay for it. It may readily be granted that a system of free prices is possible only for peoples who require that their governments treat them as adults, and who are capable of taking conscious decisions as to the sum total of public expenditure, the uses which will be made of it, and the manner in which the necessary resources are to be obtained. In short, the conditions of a successful system of free prices are the conditions of the freedom of men.

IV

The system of fixing prices without really organizing the economy, as now practised in most of the countries of western Europe, cannot last. If Europe chooses the way of planning, the simple design created by Hitler is at hand for reproduction. But if it chooses the price solution, the course of action is somewhat

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more complex because the present state of immobilization must be transformed into a free market economy. The central feature of the problem of returning to the free system is that free prices can be stable only if, at their level, a balanced budget has been attained; and, vice versa, a budget can be balanced only when taxes are no longer based on artificial prices and when the proportion of "secret" business concluded at black market prices has declined. The problem is to reduce the disturbance from the change in systems to the minimum. The policy to be sought is one which tends to lower to the greatest possible extent the level at which prices will establish themselves: that is, the level at which the double balance of supply and demand and of the budget will be assured. A few general principles can, I think, be suggested.

1. When a product cannot in fact be obtained at official prices — in other words, when no efficient system of distribution at the legal price has been set up — price control should simply be abolished. On the other hand, when there is only a shortage, the official prices can be increased by several stages, until the free price has become lower than the official price. For certain products of vital necessity, a double-price system can be established during the transitional period when effective machinery for distribution at the legal price exists; the objective is to hold rations of these commodities at a low price during the period of adaptation of wages. In short, where prices are concerned, nothing dogmatic: individual decisions adapted to the conditions proper to each market, but all tending to a rapid return to the market-price level.

2. To minimize the rise which will be caused by freeing prices, it will be necessary to lower black-market prices by increasing production. With this in view, cut out of the economic system all the Malthusian measures which war, the pressure of private interests and demagoguery have introduced into them.

3. The quicker the budget is balanced, the quicker the level of stability will be reached. The budgetary results to be expected from a decrease in public expenditure or from improvement in the fiscal system are slight in comparison with those which will be brought about by freeing prices. However, they should be achieved to the greatest possible extent. The need for a decrease in public expenditure will in many countries require a strict review of the war-swollen administrative machine, as well as a

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pruning of much unessential expenditure. At the same time, the rise in official prices ought to make it possible to dispense with all subsidies. Improvement in the fiscal system ought to result in some increase in revenue, but the increase in fiscal returns should in the large majority of cases be expected more from the increase in the value and quantity of taxable items than from a rise in rates of taxation.

4. It is self-evident that the rise in prices will have to carry with it a rise in wages. This rise should not be taken out of the hands of public authority, but should be decided on governmental initiative as a factor in a policy of social justice. The myth of fixed wages must be publicly abandoned with the myth of fixed prices. But adaptation does not mean surrender to blind forces. In the transitional period — which ought to be as short as possible — until the return to the system of collective bargaining, the state will have to continue fixing wages.

5. Experience alone will make it possible to say, in each particular case, whether or to what extent any modification in the monetary level is indispensable to the reëstablishment of equilibrium in the balance of payments. The one indispensable condition of success is that during the period of the rise in official prices, treasury expenditure does not increase more rapidly than public revenue. It will therefore be necessary during the whole of this period for the government to maintain control over its expenditure and, in particular, over salaries, pensions and wages which form its most important component.

In short, if a country will accept the discipline implied by the effort of recovery, the effort will succeed and, after some months, the country will once again have prosperity in conditions of order and freedom. If it is not sufficiently adult to face the truth, the only solution will be to impose on it the discipline of thoroughgoing planning, under which freedom disappears.

To choose between plan and prices is therefore to decide man's future rôle in society — to decide whether he will become an automaton, activated by forces outside himself, or whether he will recover in freedom the characteristics which in the past were the symbols of his dignity. The choice between plan and prices is, therefore, not a purely economic one. It is the major problem which is placed today before human conscience.

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BURMA STANDS ALONE

By Sir Raibeart M. MacDougall

ON January 4, 1948, the sovereign and independent republic of Burma was born, and a connection with the British Crown begun 120 years ago with the annexation of Tenasserim and Arakan in 1826 was ended. The parting was friendly, and it is of interest to trace the recent history of Burma to disclose the reasons for this, and also, perhaps, to form some estimate of the new state's prospects.

Prior to 1937 Burma was a province of India, and shared in the constitutional advances embodied in the Government of India Act of 1919, which handed one part of the functions of government over to ministers who were responsible to an elected legislature. This system of "dyarchy" had defects, but in fact it did what it was intended to do: it set up standards of democratic conduct in public affairs and trained the country's political leaders in the art of administration. It prepared the way for the next step forward, which was taken in Burma with the passing of the Government of Burma Act in 1935. By this Burma was separated from India, and given a constitution which laid so much responsibility on the elected representatives of the people as to bring the country close to the position of a Dominion.

Burma had long been divided when, in 1886, the third Burmese war brought upper Burma under British rule. The lower-Burma farmer, who was growing rich under British protection, had no nostalgic longings for the Mandalay monarchy. In upper Burma, the prestige of the monarchy had sunk so low, and the country was in such disorder, that the common folk welcomed the security and justice of the British régime. But at the end of the First World War, men's minds had absorbed the doctrines of self-determination, and a new nationalism sprang up, bent on making Burma a free partner in the British Commonwealth. The slow advance in constitutional development, though welcomed readily enough by the nationalists, was inadequate to satisfy their demands.

Thus it came about that although the constitution of 1935 gave wide scope to nationalist aspirations it did not really meet them; the bone of contention was the reservation of defense and foreign affairs to the Governor, and thereby indirectly to the Secretary of

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State in London. All established political parties coöperated in working the constitution, however, while protesting against its limitations. Only a group called *thakins*, many of whom were students, opposed it uncompromisingly.

Though poor and ill-organized, this group brought a new stream of ideas into Burmese political life. Hitherto internal politics had been conservative, and parties differed little in their outlook on social, economic or political questions, though there was much personal and party rivalry. These young men, however, had studied Marx and Lenin and were greatly attracted by the doctrines of Communism. They were not orthodox Communists, having grasped the inherent unsuitability of formal Communism for their country, but they repudiated the older Burmese politicians as resolutely as they opposed the suzerainty of the British. They had a noticeable influence on the older parties, which were forced perceptibly to the Left.

The outbreak of war in 1939 did little to alter this situation. Burma as a whole was ready to coöperate in the war effort (which for the time being meant increasing exports at rising prices) and hoped for wider political powers in return. The entry of Japan into French Indo-China in 1940, however, brought fears of imminent Japanese attack — fears not lessened by the difficulty of getting defense equipment and a training staff from Britain, then locked in a deadly struggle in North Africa. Rightly or wrongly, the Burmese felt that the British Government did not fully appreciate their danger — a feeling which the British in Burma shared. Finally, toward the end of 1941, U Saw, the Premier, went to London and offered to intensify Burma's war effort to the fullest degree in return for an immediate promise of early Dominion status; but he made an unfavorable impression and was coldly received. He was subsequently arrested for making treasonable contact with Japanese agents and interned till the end of the war. His arrest caused no excitement in Burma, where a difficult and disappointing campaign was under way, and his Cabinet continued in office under his deputy until the evacuation in May 1942.

Meanwhile, most of the young *thakins* had been interned for impeding the war effort or had gone underground, and some, including U Aung San, had already made their way to Japan, to return in January 1942 with the invaders as guides and interpreters. They were thus well placed to take over the government

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under Japanese favor, but they had attracted to their standard a large number of doubtful characters and criminals. Once the occupation was complete, the Japanese partly suppressed them and entrusted the government to a group composed mainly of older politicians, under Dr. Ba Maw. The *thakins*, however, retained control of the Burma national army, which the Japanese had purged and reorganized, and Dr. Ba Maw had little or no authority over U Aung San, its commanding general.

Independence had been declared in August 1943 with much pomp and ceremony, and, though the Burmese soon found it to be without much substance, it fired their imaginations. For the first time in modern history, Burma made treaties in her own right, and exchanged ambassadors with other Powers; for the first time, too, she had her own army, under her own Burmese officers. The *thakins*, however, had not led the Japanese into Burma merely to enthrone Dr. Ba Maw as head of a puppet government. They wanted real freedom, and in desperation turned back to the British, with whom, at the appointed hour (March 1945), they joined forces in the war against the Japanese. Since Japanese resistance collapsed soon thereafter they fought few engagements, but the prestige of the Patriot Burmese Forces (PBF), as they were now called, stood high at the end of the campaign. The Anti-Fascist People's Freedom League (AFPFL) which they organized aimed at amalgamating all nationalist parties, and although a few of the older politicians stood apart it became under Aung San's leadership the strongest political body Burma had yet seen.

A few weeks later, in October 1945, the civil governor returned, and set about forming a council which, temporarily, would be a nominated body. The Governor, however, feared that though U Aung San had relinquished his military rank, a government dominated by the AFPFL would amount to a military dictatorship, and negotiations with him broke down. In the end, a council was formed without AFPFL participation. But AFPFL, despite significant defections, was still by far the strongest political force in the country, and without its coöperation the intended change to an elected government would be impracticable. Negotiations were therefore renewed but by the summer of 1946 had again failed. AFPFL prepared secretly for a showdown, and, when in September a change of governor seemed to promise no immediate change of policy, called strikes in the police department and

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elsewhere which brought the business of the country to a standstill and forced the resignation of the Governor's council. Only AFPFL could provide an alternative council or handle the strike, and the leaders of the party claimed and were given a clear majority of seats on the Governor's council. It was a bloodless and successful revolution. The council assumed most of the powers of ministers under the 1935 Act, while U Aung San, who was vice-chairman under the Governor, took the "reserved" portfolio of defense and foreign affairs, hitherto administered by a European official.

II

Once in power, however, the AFPFL leaders found, like many others before them, that a change of government does not of itself cure a country's ills. The strikes could be settled only by extravagant concessions which the country could ill afford, and bred a crop of fresh disturbances, fomented mainly by Communists to embarrass the new régime. Police discipline had been undermined, and violence spread unchecked over wide areas, so that many farmers abandoned their fields and fled for safety to the towns. The AFPFL Government was in a dilemma, for it had denounced its predecessors as reactionaries, and now to its dismay found itself turning to the very measures it had condemned to restore order. The line taken was that this violence was the logical continuation of the Burmese resistance movement, and would cease when Burma was completely free; or, if it did not, at least the government would then have the support of public opinion in suppressing it.

The British Government in London meanwhile had not been idle. Its main concern was not, as AFPFL had thought, to consolidate British control over Burma, but to secure rapid physical reconstruction and the restoration of democratic government, and so reduce or at least define its own imperial obligations and financial commitments. British interests in Burma were not incompatible with democratic development, even if that should result in secession from the Commonwealth, though the British naturally hoped it would not; secession would be a cheap price to pay for peace and prosperity in at least one corner of southeast Asia. Thus the British had readily accepted the changes in September and were quite willing to discuss further changes if necessary. They accordingly called a conference in London in

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January 1947. This resulted in an agreement signed by Mr. Attlee and U Aung San by which the future status and constitution of Burma were left to the decision of a constituent assembly, which the Burmese delegates undertook to have elected in April. In the meantime, a freer hand was given to the Governor's council, which would now act as an independent cabinet in virtually all respects. The position of the Burmese hill peoples was to be safeguarded until they should have the opportunity to make a free choice as to their future.

In Rangoon, matters were in turmoil. Party headquarters under the leadership of Thakin Nu had been certain the London talks would fail, and busied itself organizing strikes and demonstrations. Some of these broke out prematurely, and it was months before the government, now shouldering full responsibility, had them under control. Meanwhile the Communists had exploited the situation to the full, and denounced U Aung San for having succumbed to the wiles of the imperialists. Two dissentients on the delegation to the conference, U Saw and Thakin Ba Sein, took a similar line, but the Communists were the more formidable. Numerically small, they were well organized, and in Arakan and two districts of central Burma held almost complete control. One wing, the "White Flag" Communists, had coöperated fitfully with AFPFL, and U Aung San continued to hope for their assistance. The Red Flag Communists, however, were implacable. Disorder was their object, and disorder they achieved. But Aung San went ahead with his plans, and his first success came when by statesmanlike concessions he won over the hill peoples, except for a section of the Karens. The elections in April passed off peacefully, and gave him an overwhelming majority. AFPFL, now firmly in the saddle, adopted a program for the constituent assembly which made it clear Burma would choose the status of an independent republic. This was confirmed a month later (June 17, 1947) by the constituent assembly. U Aung San's deputy, Thakin Nu, then led a delegation to London to discuss the transfer of power, agreement was soon reached, and Thakin Nu returned to Rangoon, while some of the delegation went off to visit other European countries to study their constitutions.

This was the position when, on July 19, the world was shocked by one of the most dastardly political crimes of modern times. About half-past ten in the morning, a gang of armed men drove into the Secretariat in Rangoon, shot down the sentry at the

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door of the council chamber and forced their way in. The Governor's council was in session, with U Aung San in the chair. The gangsters sprayed the room with bullets, and Aung San, with six of his colleagues and a Burmese secretary, fell dead or dying on the floor. Rangoon was thrown into panic, and for a time the wildest rumors and fears prevailed. In a few hours, however, the British Governor, Sir Hubert Rance, had sworn in Thakin Nu in U Aung San's place and filled the vacant seats with men pledged to carry out the policy of their murdered leader. Aung San's body was embalmed, and lay in state for weeks amid the mourning of the nation. The coup d'état had failed. Aung San had sealed his faith with his blood, and his successors pressed on with full vigor to bring his plans to fruition.

Suspicion for the murder at once fell on U Saw. His life had been attempted in the autumn of 1946, supposedly by an AFPFL faction that wished to keep him out of the Governor's council. He had taken part in the London talks in January, but had at the last minute denounced the Attlee-Aung San agreement; and he was thought to be jealous of Aung San's leadership. Some days after the crime a party of young desperadoes was arrested, and in their statements implicated U Saw and some of his associates. The trial took place before a special tribunal and in December U Saw and a number of others were found guilty and sentenced to death.

III

Preparations for the new government meanwhile went on apace. A British mission to Burma concluded a defense agreement on August 29, and the treaty itself was signed in London in October 17, to take effect January 4, 1948.

Thus Britain and Burma parted, not only without bitterness, but with cordial good will. Feeling between the British and Burmese had always been good, and with few exceptions the two races had never allowed their political differences to cloud their personal relations. But in the Burmese mind there had always been a suspicion, sometimes dormant, sometimes lively, that the British usually had some undisclosed and wholly selfish object in view. This suspicion was finally dispelled when the political leaders of the two countries met around the conference table in London. A new atmosphere was created, in which the conditions of a settlement could be determined with mutual satisfaction.

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The ready agreement of the British Government that a constituent assembly should be convened with full authority to decide whether Burma should remain in the Commonwealth, and to draft the new constitution, was the chief factor in creating this new atmosphere of mutual confidence. On the Burmese side, the decisive factor of the successful settlement was the determination of U Aung San and his successor to adhere to the London agreement in spite of pressure from his more extreme followers, and obstruction from the Communists.

The keynote of the new constitution is struck in the preamble:

> We, the people of Burma, including the frontier areas and the Karenni states, determined to establish in strength and unity a sovereign independent state, to maintain social order on the basis of the eternal principles of justice, liberty and equality and to guarantee and secure to all citizens justice, social, economic, and political; liberty of thought, expression, belief, faith, worship, vocation, association and action; equality of status, of opportunity and before the law, in our constituent assembly this tenth of Thadingyut waxing 1309 B.E. (24th day of September 1947 A. D.) do hereby adopt, enact and give to ourselves this constitution.

The constitution then provides for a "Union of Burma," with Burma proper as the predominant partner. The frontier peoples enjoy equal status in the Union, but have autonomy for local affairs in subsidiary states. The Karens (other than those in Karenni) whose prospects under the new dispensation had aroused misgiving in Britain and the United States, are given an option to join with Karenni in forming a Karen state, and until they do will have a council and a minister for Karen affairs. Chapter II of the Constitution embodies a charter of citizenship and human rights. Chapters III and IV provide for the improvement of workers' and peasants' conditions; for the prohibition of large landholdings; for the improvement of social and educational services; for the care of ex-servicemen and their families; for the establishment of a planned economy based as far as possible on nationalized or coöperative enterprise; and, finally, for the protection and encouragement of all useful arts and sciences, and cultural institutions.

Chapter V provides for the quinquennial election of a President of the Union by both chambers in joint session by secret ballot. His powers are virtually limited to the appointment of a Prime Minister on the nomination of the Chamber of Deputies, and of other ministers on that of the Prime Minister. All legislation requires his signature, but if he does not sign within seven days,

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his signature is deemed to have been given. He thus has no power to reserve bills. He may, however, address, or send a message to, the legislature on any matter of national or public importance. He may also refuse to dissolve or prorogue the Chamber of Deputies when this course is advised by a prime minister who has lost his majority, but in this case he must call on the Chamber to nominate a new prime minister.

The legislature, which with the President constitutes "Parliament," consists of two houses. The upper house is a Chamber of Nationalities, with 125 seats, of which 72 are reserved for Chans, Kachins, Chins, Karenni and other Karens, while 53 go to the rest of Burma.[1] The lower house is the Chamber of Deputies, to consist as nearly as possible of twice the number of members as the Chamber of Nationalities. It is directly elected on a very wide franchise by constituencies of varying sizes within certain defined limits in the whole of Burma, with special provision for Karen representation. Except for money bills, legislation may be initiated in either house; the power of the upper house over money bills is extremely limited. Certain subjects concerning the states are reserved for the state councils, except when the President has proclaimed a grave emergency. When both chambers are not in session the President may, under stringent safeguards, pass ordinances which have a very limited duration.

The executive consists of the Prime Minister and his colleagues, who are collectively responsible to the Chamber of Deputies, and must have a majority there. Separate provisions are made for the appointment of an attorney-general, an auditor-general and a public service commission. A carefully drafted chapter (VIII) provides for the independence of the judiciary. In particular this chapter gives the high court power to try cases, and the supreme court power to hear appeals, involving questions "as to the validity of any law having regard to the provisions of the constitution."

The document is concise, and constitutes a workmanlike and reasonably complete blueprint for a new state. It meets ingeniously the particular difficulty of giving a fair amount of freedom to the frontier peoples without hamstringing the central government. And it attempts with fair success to combine the two

[1] The racial distribution in Burma is approximately as follows: Burmese 11,000,000, Shans (Tai) 1,500,000, Karens 1,500,000, Mons 400,000, Chins 300,000, Kachins 300,000, Chinese 300,000, Indians 1,000,000, others 600,000.

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ideologies from which it stems — the traditional British reverence for parliamentary democracy (which in the last 30 years has become a commonplace of Burmese political thought), and the aggressive Socialism which its authors imbibed from European leftist writers. The declaration of human rights, the collective responsibility of ministers to parliament, the independence of the judiciary, and the second chamber with limited powers are typical of the former. On the other hand, the specific provisions for the socialization of industry, and the emphasis on the protection of workers and peasants, suggest that the doctrines of Socialism are meant to be basic in the state, and not open to discussion between rival parties in parliament.

IV

In Article 1 of the treaty of October 17, 1947, between Britain and Burma, "the government of the United Kingdom recognize the republic of the Union of Burma as a fully independent sovereign state." Subsequent articles provide for the retention of British citizenship by certain persons, the payment of pensions to former British civil servants, the continuance of international obligations and of certain contractual obligations, the conclusion of a treaty of commerce and navigation, the continuance of postal, telecommunication, and civil aviation services, and so on. The treaty also provides for adoption of the defense agreement signed in Rangoon on August 29. An annex contains correspondence providing for compensation of United Kingdom companies if their property is expropriated or acquired in pursuit of the policy of state Socialism in the period before the conclusion of the treaty of commerce and navigation. The defense agreement provides for the evacuation of British forces, a British military mission to Burma, some military equipment from the United Kingdom, and mutual concessions on the use of airdromes and harbors.

The treaty was welcomed by the Burmese, since it recognized in full the independence of their country. It was generally welcomed by the British also, though in some circles there were misgivings lest the new government should go too fast with its Socialist policy. In November 1947, the Socialist Party in AFPFL made an alliance in a new "Marxist League" with the People's Volunteer Organization (known generally by its Burmese initials as the PYT) — a para-military body of young men recruited

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originally by U Aung San. The more conservative elements in AFPFL are thus completely overshadowed, and at the first election under the new constitution the forces of the Left will probably sweep the board. These forces, however, are Socialist, and not Communist; indeed, the League was formed a few days after the final rupture between AFPFL and the Communists on November 18. But, since the *presidium* of the League is drawn from both the Cabinet and the PYT leaders, the natural result is to pull the government along the road to the Left. Consistent with this view was the announcement a few days later by the Commerce Minister U Ko Gyi, himself a member of the *presidium*, that the League hoped to nationalize the land and major industries within the next two years. Confusion was increased when at the same moment his colleague, the Forest Minister, offered a more practical proposal that Burmese lessees be substituted for Europeans in the forest industry over a period of the next ten years. Nationalization as demanded by U Ko Gyi would involve the expropriation or acquisition of existing plants and concessions, which could be done only with compensation and after proper inquiry. The government would then have to find the staff, technical and administrative, to replace the existing European experts.[2]

In truth the task before the new republic is formidable enough without such added complications. Burma was fought over twice, and devastated by the air forces of both sides. For more than three years of enemy occupation, education and other social services either were at a standstill or retrogressed. Thousands of boys and young men have learned no calling but that of partisan, and need little encouragement to form armed bands that, whatever their ostensible object, often take to robbery. In 1945, arms and ammunition were easily acquired, and large quantities were carefully stored away. Robberies are planned affairs with modern equipment, and police work takes on the character of military operations. This makes law and order difficult and expensive to maintain. Again, railway, river, road and harbor equipment, electric plant and all kinds of machinery, were almost nonexistent at the time of liberation. Admittedly, in the last two years, good progress has been made, with British help, but Burma is as yet far from being a going concern. After initial

[2] In January 1948 the Burma government gave notice that it would proceed immediately with the nationalization of the river transport, and of one section of the forest industry. Some British expert staff would be retained and compensation would be arranged after discussion.

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hesitation, law and order have been tackled resolutely by Thakin Nu's government, and many illicit arms brought in, but areas in central Burma and Arakan are still quite out of control. Road, rail and river transport, posts and telegraphs, and port establishments are functioning, but to some extent on an improvised basis, and with only moderate efficiency. Most of the Europeans in all services have been dispensed with, and it will stretch the resources of Burma to the utmost to replace them.

Trade and commerce are just beginning to revive. Thus, the export surplus of rice products is rising from less than 1,000,000 long tons last year to 1,500,000 this year, but is still a long way below the prewar average of 3,000,000 to 3,500,000 tons. Forest work was stopped last year by the lawless conditions in the countryside, and this must cut supplies of timber in the near future. The oil fields and refineries were completely wrecked in 1942 in order to keep the Japanese from using them and now Burma has to import oil to meet her own requirements, instead of producing nearly 1,000,000 tons, much of it for export, as before the war. The oil companies have begun rehabilitation, but in the current atmosphere of physical insecurity and political uncertainty only limited progress is possible. Much the same situation prevails in the base metal mining industry, which though less important is by no means insignificant. The government's attitude toward invested capital deters the existing companies from spending more than a minimum of money on rehabilitation, and frightens off new investors. Since there is little free capital available locally, and an acute shortage of trained Burmese to work either as independent operators or as servants of a state industry, there is thus something of a deadlock. It cannot be broken until law and order are completely restored and the government makes up its mind how to reconcile its Socialist plans with the need to attract foreign enterprise. In the meantime, industry and trade languish, unemployment looms ahead, the country is short of foreign exchange, and the government is losing heavily from the loss of taxes and royalties.

No account of Burma's position would be complete without reference to her relations with India. Over 70 percent of prewar foreign trade was with that country, and about 1,000,000 Indians lived and worked in Burma, as laborers, artisans, traders, moneylenders and professional men. Some 400,000 left the country on the Japanese invasion, and the terms on which they are to be

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allowed back have been the subject of much acrimonious discussion. Burma is underpopulated, and the Indians in Burma had made a definite place for themselves in its society and its economy. But their predominance in many spheres, particularly money-lending, trading and the professions, proved repugnant to the rising nationalist feeling, while their success in humbler occupations aroused the jealousy of the masses, sometimes to the pitch of riot and murder. It would be pointless to try and apportion the blame for this unhappy state of affairs: what is important is that Burma and the two new countries of India and Pakistan should settle their differences expeditiously, and make a long-term agreement on trade and immigration. In almost every respect the interests of the three countries are complementary. Cordiality, however, is not yet firmly enough established to offer prospects of early success, and the fact that the old India is now split in two, while Burma has gone out of the Commonwealth, does not make negotiation any easier.

Such are some of the problems that face the new state. They are formidable, but the men who have taken responsibility for them are young and enthusiastic, and the whole country is pervaded with a spirit of optimism. Burma has many good friends, and if these admirable qualities of optimism and enthusiasm can be harnessed to the humdrum tasks inherent in building up a new state, this, the latest of republics, can face the future with confidence.

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SOVIET IMPERIALISM IN HUNGARY

By H. F. Arthur Schoenfeld

CRITICS have pointed to many mistakes in the conduct of our foreign relations since the end of the war, especially at points of friction with the Soviet Union. I believe that if such mistakes were made they resulted largely from the initial assumption that the practice of imperialism would hardly survive in the era of the United Nations. Unhappily, imperialism persists; and Soviet policy is an exact illustration of the meaning of the word.

General recognition of this unwelcome fact by the American people lagged behind the awareness of it by American representatives stationed in the areas of direct friction. This was natural enough. Those of us who were serving in the countries of eastern Europe found that Soviet imperialism presented itself in a series of hard, plain actions. Our countrymen at home inevitably learnt of these actions at second hand. Now Soviet Communist propaganda is based, precisely as was that of the Nazis, on the assumption that people judge things by the name they hear given to them. Hence the current belief of Soviet propagandists that if by endless repetition the invidious name "imperialist" can be attached to the policy of the United States, regardless of fact, then Soviet-Communist actions will perforce be thought to be "anti-imperialist" and praiseworthy, regardless of fact.

Writing some years ago in these pages, an authoritative Soviet spokesman, Karl Radek, said: "The foreign policy of the Soviet Government differs as much from the foreign policy of the other Great Powers as the domestic policy of this first Socialist state differs from the domestic policy of the states belonging to the capitalist system." More recently Soviet propagandists and their Communist echoes in all lands have drawn from this thesis the corollary that the foreign policy of the other Great Powers, and particularly of the United States, differs from Soviet policy chiefly in that it is one of "imperialism." From this, they say, the Soviet Union will save the world.

It was my duty to observe the course of Soviet activity in Hungary from the German armistice in May 1945 until June 1947. In these two years Soviet imperialism began a cycle and completed it. The cycle ranged from the consolidation of the military victory and the establishment of the Soviet military occupation through a process of political and economic infiltration, to the domination of all aspects of Hungarian public life in the interest of the Soviet Union. In the result, the Soviet Union made Hungary a colony. It did not, however, win the allegiance of the Hungarian people.

II. THE GRIP ON HUNGARY'S ECONOMY

At the start, the American conception of the policy to be followed in Hungary assumed the good faith of the signatories of the Crimea Declaration in their stated intention "to concert . . . the policies of their three Governments in assisting . . . the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems." Somewhat later, our action in Hungary was guided by a growing realization that the Soviet Government's intention to honor this engagement was doubt-

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ful. Finally, American policy was forced to take into account the certainty that all such agreements were being contemptuously disregarded by the U.S.S.R. in order to fasten upon Hungary for an indefinite period a foreign control as tight as any in the history of imperialism.

Some skepticism as to Soviet methods began to be felt in the first weeks following the establishment of my mission in Budapest, four days after V-E Day. Secret negotiations were then in process for an agreement between the Soviet Government and the Hungarian Provisional Government to carry out the Armistice terms for payment of $200,000,000 to the Soviet Union in reparations. These, in the bland language of the Armistice, were to be paid in goods valued "at 1938 prices with an increase of 15 percent for industrial equipment and 10 percent for other goods." Our economic specialists pointed out how grossly this method of pricing reparations would increase the burden on the Hungarian economy; but information as to the conversations was not easy for us to come by. Orders had been given by the Soviet Chairman of the Allied Control Commission that communications between the representatives of the western allies and the Hungarian authorities must be channeled through himself.

The question of reparations from the Hungarians to the Soviets bore directly upon the solution of Hungary's "pressing economic problems" and was hence a proper topic for concerted inter-Allied policy. More than that, it bore on the right of the other Allied Powers and their nationals to restitution, as provided in the Armistice agreement. Further, though this agreement defined war booty as "German war material located on Hungarian territory," the rights of the other allies were being visibly jeopardized by the practice of the occupation forces in removing from Hungary as war booty factory equipment, personal possessions, money and securities and other supplies not contemplated in the Armistice agreement. No line of distinction was drawn by the Soviet authorities between removals for reparations and for booty. Removals included American-owned property.

The reparations agreement concluded by the Soviet and Hungarian Governments has never been published, so far as I know. Reference to its existence was made by the Soviet authorities with much fanfare when, later, they announced as an important contribution to Hungarian economic rehabilitation the extension of the term for reparations deliveries from six to eight years.

The problem of the rehabilitation of the Hungarian economy loomed large as soon as the fighting stopped. We urged the Hungarians to lose no time in presenting a plan of national reconstruction, worked out in the light of available resources and of all existing obligations including prewar debts, to the three Allied Powers represented on the Control Commission. No matter, we said, that any such Hungarian plan might not meet the views of the Allies as to what Hungary should do and what the Allies, or any of them, might be willing to do to implement the plan. It would offer a starting point for reasoned consideration of an urgent problem in a rapidly deteriorating situation. The Hungarians explained that they did not dare submit such a plan without the prior approval of the Soviet authorities, and none was officially submitted.

The story is true that two Hungarian Cabinet Ministers signed an economic collaboration agreement with the Soviet Government at Moscow in August

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1945 without the sanction of the Prime Minister of Hungary and the Cabinet in Budapest. This agreement was not ratified by the Hungarian Government until the end of December of that year, after assurances were given the United States that American rights under the prewar treaty of commerce with Hungary would be respected. It purported to lay down a five-year program of economic collaboration through the establishment of joint Soviet-Hungarian organizations in the fields of bauxite and aluminum, petroleum, coal, power, chemicals, electrical and agricultural machinery, river, land and air transport, and agricultural science. The agreement was implemented the following spring to the extent of forcing upon the unwilling Hungarians four supplementary agreements for the creation of "joint" companies under Soviet control for Danube shipping, commercial aviation, petroleum and bauxite. At this writing no economic reconstruction has resulted from any of them, and none appears likely.

The American Government's view of the economic collaboration agreement, stated in October 1945, was that it was natural and right that the Soviet Union and Hungary should seek to prepare the way for normal economic intercourse, but that the conclusion of any long-term economic agreements of substantial scope during the Armistice period was a matter of "concern and responsibility for all three signatories" of the Armistice agreement and of the Crimea Declaration. The State Department added that the United States would be glad to discuss a program of economic rehabilitation of Hungary with the Soviet and British Governments.

A series of notes followed. The Hungarian pengö was depreciating and was soon to collapse utterly. Obviously, the Soviet requisitions in the name of reparations and occupation costs were undermining the Hungarian economy, though the Soviet Government could not be persuaded that there was any connection between removals and collapse. In a note to the Soviet Government in July 1946, the American Embassy at Moscow pointed out that half of current manufacturing output in Hungary, then operating at an estimated one-third of prewar capacity, was absorbed by Soviet requirements. In certain industries, including coal, iron and machine production, as much as 80 to 90 percent was absorbed. Up to June 30 of the preceding year, the Soviet forces had taken out of Hungary 4,000,000 tons of wheat, rye, barley and corn; the total prewar production of these grains was something over 7,000,000 tons. Of the foodstuffs available for the urban population in the second half of 1945, the Soviet Army had appropriated nearly all the meat, one-sixth of the wheat and rye, one-quarter of legumes, nearly three-quarters of the lard, a tenth of the vegetable oil, and a fifth of the milk and dairy products. The note added that extensive requisitioning of food was going on as late as April 1946.

It likewise noted that of the total war damage to Hungarian industry, estimated at $345,000,000, more than $124,000,000 was a result of Soviet removals. Answering a Soviet charge that up to $3 billion worth of "displaced" Hungarian property was held in the American-occupied zones of Austria and Germany, our note recalled that, according to Hungarian official statistics, all war damage attributed to the Axis forces amounted to $1.25 billion, and that Hungary's total wealth in 1943 apart from land and buildings was estimated at $4.4 billion. Our Embassy advised the Soviet Government that we were re-

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turning to Hungary, in time for the circulation of a new gold-backed currency on August 1, 1946, the principal single item of displaced Hungarian property in the American zone, consisting of about $32,000,000 in monetary gold. Finally, the American note repeated the proposal for a discussion among the Allied Powers of an economic program for Hungary, and reminded the Soviet Government that an attempt by the Hungarian authorities to submit to the Soviet Chairman of the Allied Control Commission a request for the assistance of the three Powers had been summarily rejected in the previous December.

The long correspondence regarding economic rehabilitation ended after nearly a year with an American note to the Soviet Government stating that no useful purpose was served by further assertions and denials, but maintaining that economic assistance was unquestionably needed by Hungary. By this time the Paris Peace Conference had been in session for several months. American representatives at the Conference pointed out in October 1946 that in the year since the Armistice the national income of Hungary had dropped to half the prewar level of $1 billion. (It was estimated at only $620,000,000 for the fiscal year ending July 1947.) The total proportion of the national income then being absorbed by the costs of Soviet occupation, requisitions and reparations was about 35 percent.

The United States proposed a reduction in the amount of reparations, and the American delegation voted against the reparations article in the Hungarian Treaty, "not because the United States [was] against reparations but because of unwillingness in the light of knowledge of the Hungarian situation" to approve the article in its existing form, and "to induce the Conference to recommend further consideration by the Council of Foreign Ministers." When the Foreign Ministers met in the United States toward the end of 1946 the article was left unchanged.

The Soviet purpose in resisting American efforts to submit the question of reconstruction to tripartite consideration, in harmony with the purpose of the Crimea Declaration, was to secure an unhindered grip on the Hungarian economy. A plan of rehabilitation might have hampered this process.

The agreement reached by the Allies at the Potsdam Conference in the summer of 1945 for the transfer to the Soviet Union of "German assets" in eastern European countries greatly facilitated the process. Since there was no agreed definition of the meaning of the phrase "German assets," the Soviet representatives in Hungary construed it to include business enterprises in any way related to German interests during the war. Subsidiaries in Hungary of American-owned German corporations were claimed as subject to transfer. Soviet economic agents further asserted claim to the accumulated obligations of Hungary to Germany, while disregarding the counter-credits of the Hungarian economy in Germany. The result was to extend Soviet control to every sector of Hungarian industry and finance, beyond the hope of redemption by any reasonable effort or sacrifice on the part of the Hungarians.

III. THE METHOD OF POLITICAL ENCROACHMENT

The method of systematic economic obstruction, with deep infiltration into the Hungarian economy, was accompanied by a positive program of political encroachment. The Soviet Government brought a group of Moscow-trained

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Communists into Hungary as the Soviet Army advanced. This group was headed by Mathias Rakosi. Rakosi had had an adventurous political career, dating back to the short-lived Communist régime of Béla Kun following the First World War. He often spoke to me with sardonic satisfaction of the opportunities he had enjoyed for profitable study and contemplation during the 16 years he spent in Hungarian jails during the Horthy régime. Possessing exceptional physical sturdiness and mental energy, this Communist leader stood out as a dynamic personality and a skilled politician.

Rakosi told me, in one of our early conversations, that he and his Communist colleagues who had been trained in Moscow had a great advantage over the somewhat nondescript aggregation of non-Communist political leaders in Hungary. He said that he and his associates had been part of the working mechanism of government in the Soviet Union. This, he claimed, gave them an understanding of practical problems of government which other Hungarian leaders emerging on the political scene could not match, and made them the only effective leaders available to the Hungarian people. There was some truth in Rakosi's statement. The Communist leaders were energetic and able men; and it was apparent that they intended to fill the administrative vacuum, with or without the backing of the electorate.

From the time the Soviet Army brought him and his fellow organizers into Hungary in 1944 until the completion of the occupation in the spring of 1945, the Communist Party had concentrated on the relatively easy task of gaining control of the provincial, county and municipal administrations, which had been destroyed by the military catastrophe. Extension of this control had been pushed with energy during the months preceding the establishment of the Provisional Hungarian Government and during the period of confusion which followed its establishment. It proved impossible for the Provisional Government, as it did later for the Republic, to reach an interparty agreement for the holding of elections for provincial and municipal offices that might have broken the Communist hold in the areas of administration outside the municipality of Budapest.

In the summer of 1945 neither the Communist Party nor the other political parties represented in the Provisional Government were unmindful of the electoral procedure which would have to be instituted in order to establish a permanent Hungarian Government. The Communists wished to enact an electoral law and hold a national election during the Armistice régime, under the shield of the occupation forces. The Smallholders wished to postpone it. They were well aware that they would be at a great disadvantage in an election campaign, if their Communist opponents were backed by Soviet money and equipment and troops. The representatives of the western allies were frequently sounded out as to how much help they would provide to the non-Communist political groups. When our invariable reply was that American diplomatic practice excluded the possibility of such interference in the internal political affairs of foreign countries, there was bewilderment at what seemed so unrealistic an attitude compared with that of the Russians.

The electoral law was enacted that summer, providing for a municipal election in Budapest to be followed by a national election. The Budapest election was generally expected to show a strong Leftist majority, the more so as the

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candidates of the Social Democratic Party were to appear on the same list with those of the Communist Party. It was known that these two parties between them controlled the strong industrial workers' unions in the capital. The joint-list procedure had been advocated by the Soviet authorities on the ground that it would minimize electoral agitation and the risk of disturbing the public peace. But when the municipal election in Budapest took place in October 1945, the voters gave the Smallholders Party a majority in the Municipal Assembly and placed the administration of the capital in its hands.

This was a shock not only to Hungarian Communist leaders but to the Soviet Chairman of the Allied Control Commission. Rakosi was summoned to Moscow and asked for an explanation. What could he have said save contritely to admit his mistaken estimate of the public sentiment? His confidence in the gratitude felt by the population of Budapest to the Soviet Union for the national liberation and to the Communist Party for the improved conditions of daily living had been unwarranted.

Now the Social Democrats declined to set up a joint list of candidates with the Communists — their last act of independence during the two years of my service in Hungary. All the political parties, however, yielded to the Soviet demand that they promise in advance to set up a coalition government, regardless of the outcome of the election. A joint declaration to that effect was issued.

The general election on November 4, 1945, again belied the confidence of the Communist leaders and of the Soviet representatives. The Smallholders won a decisive majority of the total popular vote, which ran to nearly 5,000,000 out of a population of more than 9,000,000, and thus had a controlling majority of the 400 seats in the Assembly. During the campaign and on polling days, the occupation forces made no use of the cruder methods of intimidation that were later applied in other countries in eastern Europe. This restraint was afterward described with some cynicism as an inadvertence. In any event, the Communist Party thereafter changed its methods. The error of relying on popular approval in a free election was not repeated.

The foresight of the Communists in demanding a preëlection promise of a coalition Cabinet was very useful at this juncture. Though the Smallholders had a clear majority of deputies, they were allotted only half the portfolios, the remaining Ministries being divided equally between the Communists and the Social Democrats (except for one given a representative of the minor Peasants Party). A Smallholder took office as Prime Minister, but the distribution of seats in the Cabinet made impossible a government program based on the principle of majority responsibility. Moreover, after bitter dispute settled only by peremptory Soviet orders, the Smallholders yielded the Ministry of the Interior to the Communist Party. As elsewhere in Soviet-controlled areas, this Ministry in Hungary controls the police agencies, and through them the internal security of the state.

IV. THE HOPES FOR THE REPUBLIC

Almost the first order of business of the new government was to determine the permanent form of the state. A law was enacted at the end of January 1946, abolishing the thousand-year-old monarchy under the historic crown of St. Stephen, and establishing the Hungarian Republic. On February 1,

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Zoltan Tildy took the oath as President of the Republic in a moving ceremony attended by the foreign representatives in the war-scarred Assembly chamber of the Parliament building in Budapest. It seemed natural to my mind to associate with such an occasion, in that replica of Westminster Palace, the hope that the vicissitudes of the Hungarian people were ending and that destiny was bringing them at last to the haven of law, civil rights and representative government. At that time the Hungarians thought that a treaty of peace, ending the alien occupation of their country, could be concluded before Communist infiltration had become fatal to their national independence.

The new Prime Minister, Ferenc Nagy, was a representative of the Hungarian peasantry, in his person as well as politically. He said repeatedly then, as he did later, that it was necessary to maintain solidarity among his followers until the end of the Armistice régime and at the same time to avoid giving the occupation authorities any cause for intervention outside the scope of the Armistice. It was his hope to preserve the national integrity until the Hungarian people were free to set their own course and to carry out the necessary reforms which their history had thus far rendered abortive.

Rakosi and the Communist leaders were no less aware than the Prime Minister of the issues at stake, and of the importance of the time element in view of the possibility that peace would be concluded soon. Delay in attaining the next stage in the Communist program was too hazardous to be permitted. Obviously, their opponents, representing the bulk of the Hungarian people, would play for time. It was decided, therefore, as shown by the rapid succession of events beginning in March 1946, to hasten the execution of the Communist plan, which involved the fragmentation of the majority party and the consolidation of Communist power in the government.

Rakosi and the members of his staff had at their command an instrument of extra-constitutional power. Either directly or through their Social Democratic allies, they controlled the trade unions in critical areas of national economy. The Communist Party directed the transportation workers and the coal miners. Other sectors of the economy could be paralyzed at the behest of the Social Democratic leader, Szakasits, who had gained ascendancy in a period of confusion at the expense of other party leaders less willing than he to follow the Communist line. Control of the unions and the power to call a strike could be used at any time to bring pressure to bear upon the government. The threat was used when it served the purpose. Rakosi revealed his idea of the meaning of trade unionism when he said to me, at a time of serious labor strife in America, that strikes for the improvement of working conditions or higher wages were not permissible in Hungary; they were a luxury which only the American economy could afford.

The Communist offensive began in March 1946, with the demand for the expulsion from the majority Smallholders Party of some 21 members of the National Assembly led by Deszo Sulyok. It was contended that loyalty to the principles of the Coalition Cabinet made expulsion of the group necessary if the government were to merit Soviet confidence — and support at the Peace Conference.

The meeting of the Council of Foreign Ministers at Paris was to be held in May to begin the drafting of the treaty with Hungary. Intimations reached the

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Hungarian Government about this time that the Soviet Government might consider not only some alleviations of the economic burden on Hungary but also some concessions in the matter of the Transylvanian border. The latter question had not been considered closed because the Armistice Agreement stipulated the incorporation in Rumania of Transylvania "or the greater part thereof," a phrase which the Hungarians (and the United States) construed as leaving the border issue open. These suggestions played their part in the decision of the Smallholders leaders to sacrifice what seemed a small segment of their parliamentary majority on the altar of appeasement, aware as they were that it was a bad precedent. The fact that no such intentions regarding Transylvania received serious consideration at Moscow became evident at the Paris meeting of the Foreign Ministers, where Secretary Byrnes was unable to achieve any rectification of the Transylvanian border in Hungary's favor. The whole territory remained in Rumanian hands in partial compensation for the loss of eastern Rumanian territories to the Soviet Union.

Within Hungary the campaign to disintegrate the Smallholders' majority was suspended during the weeks spent by the Prime Minister and other Cabinet Ministers, including Rakosi, in making a round of state visits to the Allied capitals, beginning with Moscow. The cycle of visits was concluded in June 1946 when the official party returned to Budapest from Washington and London.

The game was resumed at the end of June. On the 28th of that month, the Soviet Acting Chairman of the Control Commission sent the Hungarian Prime Minister a letter charging a large number of religious and social organizations in Hungary with activities directed against the security of the occupation forces, and demanding their dissolution. The demand became public knowledge a few days later, causing consternation especially among the Catholic majority of the nation. The government dissolved the organizations complained of, but the incident provoked a serious rebellion within the ranks of the Smallholders against the Prime Minister's policy of compliance. More deputies were expelled from the party.

In the autumn of 1946, information reached a restricted circle that the Political Police under the direction of the Communist Minister of the Interior were investigating the activity of members of the Smallholders Party, in and out of Parliament. The activity in question consisted of conversations about the political situation that would arise when peace was concluded and the occupation forces withdrawn. The purpose was to consider how the disproportionate influence exerted in internal affairs by the Communists could be eliminated, to clear the way for national reconstruction. It was later revealed that, at moments of peculiar stress and moral anguish over the condition of their country, some Smallholders had talked of the possibility of forming a Hungarian Government-in-Exile. They felt that the policy of appeasement of the Communists followed by the existing government was not approved by the people and jeopardized the future independence of the nation.

These tremors were still subterranean but they were reflected periodically in the expulsion of minor Smallholders deputies from their party and in the elimination of individuals from public activity in the press or in politics. The separate events attracted little popular notice as they occurred, but

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their accumulation served to maintain an atmosphere of tension, besides hampering constructive undertakings in or out of the government.

Meanwhile, the extension of Communist influence in the government was energetically pressed. By the end of 1946 no Hungarian ministry or government agency was fully responsive to any non-Communist directive without prior approval from Communist authority. That authority was generally known to flow from Rakosi, who was in hourly contact with the Soviet representatives in Budapest and sometimes directly with Moscow. So far as the Foreign Office was concerned, I had occasion personally to observe the visit of the Communist Under-Secretary of Foreign Affairs for his morning report to Rakosi, not in a government office where the Communist leader and Deputy Prime Minister, as he then was, might have chosen to receive the American Minister, but in his office at the headquarters of the Communist Party. There the Under-Secretary emphasized his naturally polite manner by standing before Rakosi's desk in an obsequious attitude that struck me as incongruous with the status of the two Communists as party comrades.

V. THE DESTRUCTION OF THE MAJORITY PARTY

A signal for speeding up the Communist action was given by the New York meeting of the Council of Foreign Ministers, which completed the drafting of the Treaty of Peace in December 1946. The events that followed immediately in Hungary made it clear that, from the Communist standpoint, there was still much to do in carrying their program to the stage it was supposed to reach when the Treaty came into force.

Around New Year's Day 1947, reports circulated in Budapest to the effect that an unusual number of arrests had just been made by the Political Police and further arrests were to be expected. The names of members of the National Assembly and even of Cabinet Ministers were mentioned in this connection. Early in January I made informal inquiries as to the truth of these reports. I was told by the Prime Minister that he was not informed of the extent of the arrests, of the charges against those arrested or of the purpose of the police investigation. He said he had given directions to the Communist Minister of the Interior to submit a full report to him.

An official communiqué of the Interior Ministry soon followed. It announced that the police authorities had uncovered a conspiracy against the Republic; a number of arrests had been made and the investigation was proceeding. Later in January the Minister of Information resigned and was promptly arrested. A number of members of the National Assembly were arrested after that legislative body had authorized the waiver of their Parliamentary immunity. They were members of the Smallholders Party. By the end of January it was known that the name of the Secretary General of the Smallholders Party, Béla Kovacs, a powerful and popular politician, had been connected with the alleged conspiracy. He announced that he was taking a leave of absence from that office but he retained his status as a deputy in Parliament.

These developments sharply revived the concern felt by the rank and file of the Smallholders deputies in Parliament which had previously found expression in near revolts against the party leadership for its apparent failure to stand up to the Communists. The bulk of these deputies from the rural

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areas of Hungary saw less reason than their leaders for appeasement, or for the view that failure to yield to the Hungarian Communists should be considered tantamount to a challenge of the Soviet authority. They were increasingly sensitive to the expulsion of colleagues from the majority party, and saw little virtue in waiving their immunity as deputies in order to facilitate arrest by the Communist police. It had not been easy for the Prime Minister during the preceding months to keep his Smallholders deputies in line for the policy of conciliation while the majority bloc was being steadily whittled away. The shrewd political sense of the rural deputies and their peasant pride were being stultified.

In February the focus of interest centered on a demand of the Leftist bloc, composed of the Communist and most of the Social Democratic deputies, for the waiver of the immunity of Béla Kovacs. His influence and popularity in the majority party were such as to preclude the Smallholders from permitting him to be arrested by the Political Police. His party colleagues were convinced of the falsity of the charges of subversive activity against him. They were prepared at most to set up a Parliamentary Commission to investigate the charges. The Communist deputies, with the support of the Social Democrats, insisted on his immediate surrender. By the middle of February the continued existence of the Coalition Government itself was threatened.

In pursuance of an earlier request from him for American support I saw the Prime Minister on Washington's Birthday. I was able to convey to him only the assurance that the United States remained disposed to extend economic aid to Hungary, as it had been doing for many months through the granting of credits for the purchase of surplus property and extending other facilities. It was evident, however, that the Prime Minister was less interested at that moment in American economic aid than in knowing what political action the United States would take to prevent the collapse of the Hungarian Government, which he considered imminent. While a reconstruction of the government was possible, he said, by excluding the Leftist bloc or alternatively by the withdrawal of the Smallholders from the Cabinet, the Prime Minister was convinced that in either event the resulting government could not be maintained against the opposition. Hence, it was necessary, in his view, as it had been since the beginning of the occupation, to keep the coalition principle in order to prevent direct intervention by the Soviet representatives in Hungary. He did not know whether he would remain in office another day, as his supporters in the party had taken the bit in their teeth and were determined to make an issue of the Communist offensive culminating in the Kovacs case.

The parliamentary situation had reached this impasse when toward the end of February a short announcement was published in the press to the effect that Kovacs had been arrested by the Soviet authorities for activities against the security of the Soviet Army. The United States Government was impelled at this point to its first public expression regarding the Hungarian political situation. On March 6 the Department of State issued a statement declaring "its feeling of concern at the political crisis . . . precipitated in Hungary." It stated that "the pattern of recent political developments in Hungary appears to threaten the right of the people to live under a Government of their own free choosing, for it involves foreign interference in the domestic affairs of Hungary

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in support of repeated aggressive attempts by Hungarian minority elements to coerce the popularly elected majority." The statement said that the "Soviet High Command in Hungary has now, by direct intervention, brought the situation to a crisis" by arresting Béla Kovacs; that the "Soviet action has been taken unilaterally without prior discussion with the United States and United Kingdom representatives on the Allied Control Commission;" that the charges against Kovacs were believed unwarranted; and that the United States was requesting a joint investigation by representatives of the three Allied Governments, in coöperation with representatives of the Hungarian Government, to examine the facts of the situation and, at the same time, requesting that the Soviet authorities in Hungary take no further action without consulting the United States and British representatives on the Control Commission.

An active exchange of correspondence then began with a note on March 8 to the American Military Representative on the Control Commission from the Soviet Acting Chairman, followed by communications between the three governments represented on the Commission. In a note of March 17 the United States denounced the one-sided Communist investigation of the alleged plot against the Hungarian Republic, the packing of the court which was to try those accused and, with reference to the arrest of Kovacs, said that his detention by the Soviet authorities had not taken place until the Hungarian Communist Party had "without avail, resorted to numerous stratagems to obtain the waiver of Mr. Kovacs' parliamentary immunity and his arrest by the political police." It seemed "clear to the United States Government that minority groups under the leadership of the Hungarian Communist party are attempting to seize power through resort to extraconstitutional tactics." It was imperative, our Government said, that the powers signatory to the Yalta Declaration investigate political conditions in Hungary. The Soviet contention was rejected that such an investigation would impair the rights of the Hungarian Government or infringe the right of the Soviet occupation authorities to take reasonable measures for the security of the occupation force.

VI. "LET THE SPARROWS TWITTER"

There were significant difficulties in securing publicity for the American and British notes and statements. The difficulties were traceable to the orders of the Soviet authorities who, in each exchange of the controversy, declined to permit publication of the position of the western allies until the Soviet answer could be formulated and made available to the Hungarian press.

The Soviet attitude toward the question of joint responsibility for carrying out the obligations of the three Powers signatory to the Crimea Declaration had been pointedly stated more than a year before by no less an authority than Vishinsky himself, and it was now necessary to accept his statement as authoritative. During his visit to Bucharest in January 1946, in company with Ambassador Harriman and the present Lord Inverchapel, on behalf of the Council of Foreign Ministers and ostensibly to obtain assurance from the Rumanian Government to hold a free election in that country, Vishinsky had been told that the political methods he required the Rumanian authorities to use would not be well received in the United States and in Britain. His comment had been brief. He had said, "Let the sparrows twitter."

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During the month of April 1947, it was learned that the Prime Minister had requested the Soviet representatives to turn Kovacs over to the Hungarian authorities for investigation. The Soviet answer was that their investigation was not completed. It had previously been contended by the Soviet representatives that the investigation of the alleged plot against the Hungarian Republic was exclusively in the hands of the Hungarian authorities.

In May the Prime Minister left for a vacation in Switzerland with the understanding among the party leaders that no controversial issues would be brought up during his expected absence of three weeks. In the concluding days of May the Hungarian Government suddenly announced that, according to information transmitted by the Soviet authorities, testimony given by Béla Kovacs to the Soviet investigators incriminated the absent Prime Minister in the alleged conspiracy against the Republic. The announcement added that he had been summoned to return to Budapest at once. When this announcement was issued the Prime Minister had been advised not to return from Switzerland and given to understand that, if he should return, the government would not be answerable for his personal safety. Some days later, while passing through Berne on my way to the United States, I saw the Prime Minister. He confirmed in dramatic detail the course of the intrigue.

With the elimination of Mr. Nagy and the appointment as Prime Minister of a member of the Smallholders Party considered acceptable to the Communists and their Soviet masters, the façade of constitutional legality in Hungary had been preserved, though badly marred, in accord with Soviet Communist practice whenever the end can be achieved by this method. In substance, however, the wheel of Hungary's political destiny had again come full circle. Russian masters had replaced German.

The position is summed up in a concluding note of June 11, 1947, from the American Military Representative on the Control Commission to the Soviet Acting Chairman. After referring to previous American proposals for the establishment of a tripartite commission to investigate the situation created by the arrest of Béla Kovacs and by the large-scale apprehension by the Hungarian police of other representatives of the majority party on charges of conspiracy against the Hungarian state, the American note says that the United States considers that these actions threaten the continuance of democratic processes in Hungary. It points out that the Soviets denied that the arrest of Kovacs by the Soviet occupation authorities was intervention in the internal affairs of Hungary (though they insisted that an investigation of the arrest would be such an interference), and makes plain the stratagem which had been employed to bolster this obvious absurdity: Kovacs had simply been charged with a different offense. The plot for which he was in fact arrested "was the same conspiracy which could not be investigated by three powers but which has in fact been investigated by one and which has led to a most flagrant interference in Hungarian affairs."

The American note continues that "information relating to Hungarian political affairs, alleged to have been elicited from Béla Kovacs during his detention incommunicado by the Soviet occupation forces," was furnished by the Soviet authorities to the Communist Deputy Prime Minister (Rakosi) "in such circumstances as to force the resignation of the Hungarian Prime

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Minister and other important leaders of the majority Smallholders Party and to bring about the reorganization of the Hungarian Government." Incidentally, as the note says, the American and British members of the Allied Control Commission had been kept in ignorance of information on the subject in clear violation of the Commission's own statutes. The United States noted "that this action has resulted in the realignment of political authority in Hungary so that a minority which obtained 17 percent of popular support in the last free election has nullified the expressed will of the majority of the Hungarian people," a situation apparently admitted by Rakosi who boasted publicly of the latest Communist success. This "unilateral action" is protested by the United States as in violation of the Yalta agreements. The Soviet interference in Hungarian political affairs in derogation of continued exercise of democratic rights in Hungary is also protested. The note concludes by saying that the United States would have to consider such further action as might be appropriate in view of its obligations under the Yalta Declaration, as a signatory of the Hungarian Armistice and as a member of the United Nations.

Developments since last June throw little more light on this case history of postwar imperialism. The Hungarian Government was obliged to decline participation in the Paris Conference which resulted in the plan of European reconstruction. Another national election was held in August 1947. It revealed the complete disintegration of the Smallholders Party, bereft of leadership and split into fragments. Soviet forces will be stationed on Hungarian territory to guard the Soviet line of communications so long as Austria remains under military occupation.

In a study of Danubian economic problems after the First World War, Frederick Hertz made a statement which remains apposite to recent events: "The enhancement of power and prestige, territorial expansion, strategic frontiers, the keeping down of an hereditary enemy—such aims seemed immensely more important than economic coöperation between nations; and the claim of party or class to power, and to the spoils of power, were more alluring than the aim of coöperation between all sections within a nation." Present Soviet-Communist policy seems calculated deliberately to prevent coöperation between all sections of the Hungarian nation.

The Hungarian people believed that democracy was desirable and that they could attain it. Though somewhat bewildered by the different meanings given the word, their leaders maintained that the people had the right to seek the realization of it in their own way. That one interpretation of democracy should have been used to justify the suppression of majority rule in Hungary carries a lesson which will not be lost on such an intelligent people. More and more repression will be required to sweep the national consciousness clear of the hope of future freedom. As the suppression is intensified, the resistance, open or covert, is likely to grow stronger. If, as some say, the Kremlin's real purpose is merely to make sure of having "friendly" governments on the borders of the Soviet Union, then the practice of Soviet imperialism as exemplified in Hungary is not simply brutal but stupid as well. The record here presented does not suggest that Soviet-Communist methods will call forth the popular support on which governments must depend if they are to endure.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

By Robert Gale Woolbert

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General: Political, Military and Legal

THE STEEP PLACES. By SIR NORMAN ANGELL. New York: Harper, 1948, 247 p. $3.00.

Seeking to discover whether mankind is heading for suicidal extinction in a conflict between the Soviet and the western worlds, the author finds the economic motivation of peoples to be less potent than that of political ideas and doctrines. He believes psychological forces to be at the root of our troubles. He thinks war is not inevitable and that one way to stave it off is through continued close coöperation between the British Commonwealth and the United States.

THE INTERNATIONAL PROBLEM OF GOVERNING MANKIND. By PHILIP C. JESSUP. Claremont (Cal.): Claremont College, 1947, 63 p. $2.50.

Lectures delivered at Claremont College early in 1947 by a leading American authority on international law. They deal with the problems of world government and the international guarantee of democratic governments.

PEACE OR ANARCHY. By CORD MEYER, JR. Boston: Atlantic (Little Brown), 1947, 233 p. $2.50.

A young ex-Marine ardently, if perhaps impractically, proposes the substitution of a world federation for the United Nations as the only alternative to the extermination of mankind in a third world war.

NATIONS AND PEACE. By I. A. RICHARDS. New York: Simon and Schuster, 1947, 159 p. $2.00.

The need for world government set forth in Basic English.

THE PARADOX OF NATIONALISM. By JULIUS BRAUNTHAL. London: St. Botolph, 1946, 104 p. 5/.

A cogent statement of the fundamental moral contradictions contained in the doctrine of nationalism and of the political suicide it portends.

L'UMANITÀ AL BIVIO. By UMBERTO NOBILE. Milan: Mondadori, 1947, 210 p. L. 350.

The author of this book will be remembered as the commander of Italian dirigible expeditions over the Arctic in the 1920's. Disgraced by the Fascists, he went to Russia; later, from 1939 to 1942, he directed an aviation school in America. Returning to Italy, he was restored to his rank of general and was elected a member of the Constituent Assembly. In this rather odd book he asks in effect, "Whither are we tending?" He has few hopes for the United Nations or for capitalist society.

DIPLOMATICHESKAIA BOR'BA V GODY PERVOI MIROVOI VOINY. VOLUME I. By F. I. NOTOVICH. Moscow: Izdatelstvo Akademii Nauk SSSR, 1947, 748 p. R. 34.

This first of four volumes deals with the diplomacy of the opening year of World War I and stresses mistakes in Allied policy that led to the loss of the Balkans in 1915.

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LA SÉCURITÉ COLLECTIVE 1919–1945. By Pierre-F. Brugière. Paris: Pedone, 1946, 378 p. Fr. 350.

Much of this work consists of the texts of relevant treaties, pacts, conventions and other international instruments illustrating the rise and fall of the League of Nations and the origins of the United Nations.

TEN EVENTFUL YEARS. Chicago: Encyclopaedia Britannica, 1947, 4 v. $39.90.

This "record of events" for the years 1937 through 1946 comprises 1,600 articles by 800 contributors, including Ibn Saud (on "Arabia") and Robert Taft (on "New Deal"). The indexing and cross-referencing are truly impressive.

THE MAKING OF YESTERDAY. By Raoul de Roussy de Sales. New York: Reynal, 1947, 310 p. $4.50.

The perceptive, finely written but disillusioned opinions held by a French journalist in the last years of his life were set down in his diaries running from the fall of 1938 to his death in New York in November 1942.

GANDHI AND STALIN: TWO SIGNS AT THE WORLD'S CROSSROADS. By Louis Fischer. New York: Harper, 1947, 183 p. $2.50.

Mr. Fischer has cast Stalin as the embodiment of totalitarian evil and the Mahatma as the incarnation of democracy (including Socialism and pacifism). From this datum point he branches out into sundry other matters, such as the need for a world government minus Russia.

CONTINENT IN LIMBO. By Edith Sulkin. New York: Reynal, 1947, 304 p. $3.00.

How the people of western, northern and central Europe reacted to their continuing wretchedness, spiritual as well as physical, during the second "postwar" year.

COLONIALISME, TRUSTEESHIP, INDÉPENDANCE. By Ali Maalem. Paris: Défense de la France, 1946, 422 p. Fr. 270.

An ambitious and comprehensive survey of modern imperialism — its objectives and manifestations — by a young Algerian scholar.

CHANGE AND CRISIS IN EUROPEAN GOVERNMENT. Edited by James Kerr Pollock. New York: Rinehart, 1947, 253 p. $3.50.

Papers originally presented before the American Political Science Association in December 1946, and later revised.

MUSLIM CONDUCT OF STATE. By Muhammad Hamidullah. Lahore: Ashraf, 1945, 352 p. Rs. 12.

A scholarly and annotated treatise on the international law of Islam. There is a lengthy bibliography of sources in both European and oriental languages.

RECOGNITION IN INTERNATIONAL LAW. By H. Lauterpacht. New York: Cambridge University Press (Macmillan), 1947, 442 p. $5.50.

The author sustains the thesis that the granting or withholding of recognition is primarily a legal, not a political, issue.

VYPOVĚDĚNÍ VÁLKY: STUDIE Z PRÁVA MEZINÁRODNÍHO. By Zdeněk Ehler. Prague: Knihovna Sborníku věd právních a státních, 1946, 160 p.

A study in the history of international law with special attention to the forms of the declaration of war.

LA FONTE SUPREMA DELL'ORDINAMENTO INTERNAZIONALE. By Giuseppe Sperduti. Milan: Giuffrè, 1946, 229 p. L. 350.

An analysis of the sources and of current doctrine.

LE PROBLÈME DU CHÂTIMENT DES CRIMES DE GUERRE D'APRÈS LES ENSEIGNEMENTS DE LA DEUXIÈME GUERRE MONDIALE. By J. Daniel. Cairo: Schindler, 1946, 282 p.

The author analyzes the legal precedents and the writings of the authorities but not the Nuremberg trials, which took place after the book was written.

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ARMAMENT AND HISTORY. By J. F. C. Fuller. London: Eyre, 1946, 224 p. 12/6.
A chapter, "The Age of Atomic Energy," has been added since the publication of the American edition (reviewed in our April 1946 issue).

EJÉRCITO Y POLÍTICA. By Teniente General Kindelán. Madrid: Aguilar, 1947, 269 p. Ptas. 15.
A prominent Spanish general, recently restored to favor after a semi-exile in the Canaries, discusses such matters as the causes of war, the foundations of a good army, the relations between the army and politics. He is particularly interested in the development of the Spanish and German armies in recent decades.

POLITICAL HANDBOOK OF THE WORLD, 1948. Edited by Walter H. Mallory. New York: Harper (for the Council on Foreign Relations), 1948, 220 p. $3.50.
The large number of internal changes which took place in governments during the last year make the twenty-first annual revision of this standard work of reference particularly welcome. For example, this 1948 edition takes note of the establishment of India and Pakistan as independent states, includes the alterations made by revolution in the governments of Siam and Nicaragua, and the changes in Poland, Bulgaria and Rumania which resulted from the political developments in those countries. There is condensed, accurate and up-to-date information on political institutions, programs and personnel, in all states of the world, and the data about the world's press for which the Handbook is famous. A useful section is devoted to the United Nations, with summaries of the provisions of the Charter, the major organs and specialized agencies, and the personnel of the Committees and Secretariat.

General: Economic and Social

REBUILDING THE WORLD ECONOMY. By Norman S. Buchanan and Friedrich A. Lutz. New York: Twentieth Century Fund, 1947, 434 p. $3.50.
This book, in the first 12 chapters written by Professors Buchanan and Lutz, gives a clean-cut authoritative account of the destructive effect of World War II on international trade and finance. What U. S. policy should be is the subject of Chapter 13, the report of a distinguished advisory committee representing business, labor, agriculture and economic science.

BILATERAL EXCHANGE CLEARING POLICY. By P. Nyboe Andersen. Copenhagen: Munksgaard, 1946, 242 p. Kr. 20.
A brief description of practice during the 30's, followed by an extensive theoretical consideration of the use and value of clearing agreements.

MORE THAN CONQUERORS: BUILDING PEACE ON FAIR TRADE. By Otto Tod Mallery. New York: Harper, 1947, 204 p. $3.00.
An enthusiastic supporter of the ITO and other agencies for promoting freer trade presents his arguments in a form that the layman can grasp.

L'ASPECT MONETAIRE DES ECHANGES INTERNATIONAUX. By Jacques-A. L'Huillier. Paris: Dalloz, 1946, 275 p. Fr. 275.
This scholarly treatise won the Nogaro Prize at the University of Paris.

THE KEYNESIAN REVOLUTION. By Lawrence R. Klein. New York: Macmillan, 1947, 218 p. $3.50.
An interpretation of Keynes' theories and of their contribution to current policy.

POSTWAR PROBLEMS OF MIGRATION. New York: Milbank Memorial Fund, 1947, 173 p. $1.00.
Papers presented by a dozen experts on population problems at a round table conference sponsored by the Milbank Fund in October 1946.

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PROBLEMAS DE LAS MIGRACIONES INTERNACIONALES A LA LUZ DE LOS DOCUMENTOS PONTIFICIOS. By Teodoro de la Torre Recio. Madrid: Instituto de Cultura Hispánica, 1946, 280 p. Ptas. 25.

A Catholic analysis of modern migratory movements.

FREEDOM OF THE PRESS. By William Ernest Hocking. Chicago: University of Chicago Press, 1947, 242 p. $3.00.

This work on "A Framework of Principle" is a "Report from the Commission on Freedom of the Press," prepared by a professor emeritus of philosophy at Harvard. The press has rights, according to Mr. Hocking, only in relation to its duties, and since its present performance is not commensurate with its obligations, the state must step in to insure that the press discharges its full responsibilities. His analysis and arguments are, for the most part, couched in philosophic terms, but the threat he implies to the libertarian concept of a "free press" is clear enough.

MYTHS OF WAR. By Marie Bonaparte. London: Imago, 1947, 161 p. 10/6.

A French psychoanalyst, who believes that in war all peoples tend to return to a state of barbarism, presents typical wartime myths and stories to illustrate the point.

LES PAYS TROPICAUX. By Pierre Gourou. Paris: Presses Universitaires, 1947, 196 p. Fr. 180.

In this concise treatise on the "principles of human and economic geography" the author develops the thesis that tropical conditions require a sparse, agricultural population except where rice culture or the use of irrigation for non-soil-exhausting export crops is feasible.

SOVIET JEWRY, PALESTINE AND THE WEST. By Walter Zander. London: Gollancz, 1947, 109 p. 6/.

A review of the last 70 years of Jewish history in which such important developments as the virtual elimination of eastern European Jewry and the establishment of the National Home in Palestine indicate a need for reorienting the direction of Jewish life.

The Second World War

LETTER FROM GROSVENOR SQUARE. By John Gilbert Winant. Boston: Houghton, 1947, 278 p. $3.00.

In this account of his "stewardship," our wartime Ambassador to Britain reëvokes the dark, heroic days of 1941. In simple, humane words he records his observations on the British people at bay and on the beginnings of American aid to them. There are no startling revelations and the author is sparing in his criticism of men and policies.

THIS IS PEARL! THE UNITED STATES AND JAPAN — 1941. By Walter Millis. New York: Morrow, 1947, 384 p. $4.00.

Mr. Millis has with marked success sought to reconstruct the events that led up to Pearl Harbor and roughly to apportion praise and blame for that disaster. He has weighed the evidence in official documents, Congressional investigations and personal diaries, and he has taken account of the prevailing moods of the time and the unwillingness of the American people to face facts squarely. He explodes the last vestiges of the charge that the Roosevelt Administration plotted to involve us in war by proving that it did just the opposite; but he lays a heavy share of the responsibility for Pearl Harbor on Short and Kimmel as the commanders on the spot.

HISTOIRE MILITAIRE DE LA SECONDE GUERRE MONDIALE 1939–1945. By Général L.-M. Chassin. Paris: Payot, 1947, 575 p. Fr. 540.

A straightforward, chronological résumé in which the European and Middle East campaigns are accorded most of the author's attention. The text is heavily supported with statistical and other data, and is illustrated with 36 maps.

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STRATEGY IN WORLD WAR II. By Lieutenant Colonel Alfred H. Burne. Harrisburg: Military Service Publishing Co., 1947, 91 p. $1.75.

A revision of the Lees Knowles Lectures on the strategy of the land campaigns, delivered by the author in 1946.

THE BATTLE OF THE ATLANTIC: SEPTEMBER 1939-MAY 1943. By Samuel Eliot Morison. Boston: Atlantic (Little Brown), 1947, 432 p. $6.00.

The first (but second to be published) volume in Professor Morison's comprehensive 14-volume "History of United States Naval Operations in World War II," being prepared on the basis of official documentation. It covers the period of our "neutrality" and the submarine invasion of our coastal waters and the Atlantic sea lanes, when we nearly lost the war. Many charts, maps, photographs and statistical appendices.

UNITED STATES ARMY IN WORLD WAR II. THE ARMY GROUND FORCES: THE ORGANIZATION OF GROUND COMBAT TROOPS. By Kent Roberts Greenfield and Others. Washington: Department of the Army, Historical Division, 1947, 540 p. $3.25.

This is the first volume to appear in a vast historical series projected by the Army and which may eventually reach 99 volumes. The present work is objective, informative and of course authoritative, based as it is on a wealth of official documentation.

THE HIDDEN WEAPON. By David L. Gordon and Royden Dangerfield. New York: Harper, 1947, 238 p. $3.50.

Each author served as head of the Blockade Division in the Foreign Economic Administration. Their "story of economic warfare" as practised in the recent conflict is thus authoritative and well documented.

THE ISLAND WAR. By Major Frank O. Hough. Philadelphia: Lippincott, 1947, 413 p. $5.00.

Though not an "official" history of Marine action in the Pacific war, this work is based on a careful study of many official records. Mr. Hough was in the Corps during both World Wars.

THE STORY OF WAKE ISLAND. By Colonel James P. S. Devereux. Philadelphia: Lippincott, 1947, 252 p. $2.75.

Related by the officer in command of the Marines on Wake.

DARK DECEMBER. By Robert E. Merriam. Chicago: Ziff-Davis, 1947, 234 p. $3.00.

An Army historian attached to SHAEF, relying on a wealth of documentation (official and otherwise), has pieced together about as near a definitive account of the Battle of the Bulge as we are likely to get. He shows clearly the failure of Allied Intelligence and he punctures a number of myths that have grown up around the epic struggle.

THE ATTACK ON ST. NAZAIRE, 28TH MARCH, 1942. By Commander R. E. D. Ryder. London: Murray, 1947, 118 p. 6/.

A detailed account, with maps and illustrations, of the famous Commando raid.

IRREGULAR ADVENTURE. By Christie Lawrence. London: Faber, 1947, 276 p. 10/6.

Wartime experiences with Serbian guerrilla bands in 1941–42.

LAPIN TUHO 1944. By T. W. Paavonkallio. Hämeenlinna (Finland): Karisto, 1946, 204 p. M. 150.

A newspaperman's illustrated account of events in Lapland during 1944–45, including the Germans' destructive "March to the Sea."

AMERICAN AGENT. By Mark Gayn and John Caldwell. New York: Holt, 1947, 220 p. $3.00.

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The exploits of Mr. Caldwell, long a resident of China, who was an OWI official in Fukien during 1943–44, cut off from Chungking and surrounded by the Japanese.

NEW ZEALAND AT WAR. By Kenneth R. Hancock. Wellington (N. Z.): Reed, 1946, 351 p. 27/6.

This is an unofficial but factually detailed record of the Dominion's contribution to victory on land and sea, in the air, and on the home front.

FINLAND AND WORLD WAR II, 1939–1944. Edited by John H. Wuorinen. New York: Ronald, 1948, 228 p. $3.50.

An interpretation and justification of Finland's foreign policy during the war. The author (or authors), being subject to Soviet reprisals in Finland, is not identified.

ENVERS ET CONTRE TOUT: DE LONDRES À ALGER (1940–1942). By Jacques Soustelle. Paris: Laffont, 1947, 470 p. Fr. 420.

This first volume in a projected series, "Souvenirs et Documents sur la France Libre," covers the months from June 1940 to November 1942, during which time the author served de Gaulle's régime in London and the Caribbean.

HORS D'ATTEINTE. By Alfred Fabre-Luce. Montreal: Variétés, 1946, 209 p.

The author's adventures during the German occupation, and other matters.

IL SERVIZIO INFORMAZIONI NELLA LOTTA CLANDESTINA: GRUPPO MONTEZEMOLO. Milan: Domus, 1947, 309 p. L. 1000.

The story of how Italian partisans in North Italy forwarded military information to the Allies from 1943 to 1945. Most of the book consists of some 150 such reports.

NOS ANNÉES TERRIBLES. DEUXIÈME SÉRIE: 1939–1945. I. L'EMPRISE (DE SEPTEMBRE 1939 À FIN OCTOBRE 1941). By Charles Gheude. Brussels: Bruylant, 1946, 365 p. Fr. Belgian 150.

In 1919 the author published a three-volume work — "Nos Années Terribles"— recording in diary form his experiences and emotions during the German occupation of Belgium. In this volume he begins the "second series" of this new-old story.

FOREST OF THE DEAD. By Ernst Wiechert. New York: Greenberg, 1947, 135 p. $2.50.

Under a thinly disguised third person, this anti-Nazi novelist and teacher takes us through the mental and physical hell of Buchenwald.

The United States

SPEAKING FRANKLY. By James F. Byrnes. New York: Harper, 1947, 324 p. $3.50.

Mr. Byrnes served as Secretary of State for a year and a half during the first half of Mr. Truman's administration. Though his term was brief, it was packed with important conferences and negotiations: his account begins with Yalta and runs through the Council of Foreign Ministers at New York in December 1946. Thanks to the author's ability to write shorthand, he was able to record in detail events and conversations as they occurred, and he provides us with many revelations, great and small. Before becoming Secretary of State, Mr. Byrnes' experience had been almost wholly in the sphere of domestic politics. He soon found that the store of knowledge he had accumulated and the habit of give-and-take compromise he had developed had not prepared him to deal with Molotov. Yet the story he tells is far from one of unrelieved frustration, and it amply demonstrates his good humor and capacity for hard work.

AMERICA'S FUTURE IN THE PACIFIC. By John Carter Vincent and Others. New Brunswick (N. J.): Rutgers University Press, 1947, 247 p. $3.00.

Lectures by recognized experts on the interests, political and economic, of the United States in the Far East and other Pacific areas.

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THE RECORD OF AMERICAN DIPLOMACY. Edited by Ruhl J. Bartlett. New York: Knopf, 1947, 731 p. $6.00.

Documents and other materials illustrating the evolution of our foreign policy.

THE COLD WAR: A STUDY IN U. S. FOREIGN POLICY. By Walter Lippmann. New York: Harper, 1947, 62 p. $1.00.

The "columns" which took issue with the now-famous article in Foreign Affairs on Russia by "X" are here published in book form. In substance the author insists that a policy of "containment" against the Soviet Union is neither practicable nor wise.

DOCUMENTS ON AMERICAN FOREIGN RELATIONS. VOLUME VII, JULY 1944–JUNE 1945. Edited by Leland M. Goodrich and Marie J. Carroll. Princeton: Princeton University Press (for World Peace Foundation), 1947, 961 p. $6.00.

The latest addition to a well-established series.

AMERICAN OIL OPERATIONS ABROAD. By Leonard M. Fanning. New York: McGraw-Hill, 1947, 270 p. $5.00.

A gold-mine of useful facts, figures and photographs concerning the activities of American oil-producing companies in all parts of the world.

THEY VOTED FOR ROOSEVELT. By Edgar Eugene Robinson. Stanford: Stanford University Press, 1947, 207 p. $3.00.

A statistical record and analysis of the presidential votes in 1932, 1936, 1940, 1944.

F. D. R. COLUMNIST. Edited by Donald Scott Carmichael. Chicago: Pellegrini, 1947, 180 p. $3.00.

Nineteen interesting, if not important, columns written in 1925 and 1928 for Macon (Ga.) and Beacon (N. Y.) papers on a variety of topics.

WHERE I STAND! By Harold E. Stassen. New York: Doubleday, 1947, 205 p. $2.00.

A Republican presidential aspirant states "the nucleus" of his political beliefs. His chapters on his brief visit to Russia and his interview with Stalin reveal little not already common property.

THE RED PLOTTERS. By Hamilton Fish. New York: Domestic and Foreign Affairs, 1947, 103 p. $1.00.

The Communist danger exposed by one of our most indefatigable Red-hunters.

THE HIGH COST OF PREJUDICE. By Bucklin Moon. New York: Messner, 1947, 168 p. $2.50.

Race prejudice in America presented as unprofitable financially as well as conducive to social inefficiency and cultural lag.

INTRODUCING ALASKA. By J. B. Caldwell. New York: Putnam, 1947, 202 p. $3.75.

A casual and somewhat superficial bird's-eye view.

BRIDGE TO RUSSIA: THOSE AMAZING ALEUTIANS. By Murray Morgan. New York: Dutton, 1947, 222 p. $3.00.

A popular account of the islands' history and strategic importance.

HAWAII: THE 49TH STATE. By Blake Clark. Garden City: Doubleday, 1947, 271 p. $3.00.

This book gives the unsavory story of American wartime military government in the islands and documents the loyalty of the Japanese-Americans there.

Western Europe

VON PÉTAIN ZUR VIERTEN REPUBLIK: VICHY 1944. By Walter Stucki. Bern: Lang, 1947, 174 p.

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The author was Swiss Minister to the Vichy régime and in this documented memoir he recounts his activities as a go-between, in particular during the German retreat.

LES BASQUES. By Philippe Veyrin. Grenoble: Arthaud, 1947, 350 p. Fr. 660.

A corrective to much of the romantic and ill-informed stuff that has been written about this fascinating folk. The author, a nephew of André Siegfried, has lived all his life in the Basque country.

EUROPE'S SUICIDE IN GERMANY. By Tibor Mende. London: St. Botolph, 1946, 100 p. 6/.

The "suicide" which the author foresees is the permanent partition of Germany between east and west. Most of this interesting little book deals with political, economic, social and cultural developments in occupied Germany.

A REPORT ON GERMANY. By Lewis H. Brown. New York: Farrar, Straus, 1947, 247 p. $3.00.

Mr. Brown, chairman of the Johns-Mansville Corporation, was invited to Germany by General Clay, and this is his report on "How to get Germany eventually off the backs of the American taxpayers." He wants to set industry in western Germany on its feet as an essential step toward the revival of western Europe under the Marshall Plan and is willing to do this without waiting for an agreement with the Russians or for the establishment of a democratic régime. His hopes for the revival of "free enterprise" in Europe seem overly sanguine.

AMERICAN MILITARY GOVERNMENT IN GERMANY. By Harold Zink. New York: Macmillan, 1947, 272 p. $4.00.

Professor Zink, head of the political science department at Depauw University, served in the Military Government branch of the Army. Among other assignments he edited a "Handbook for Military Government in Germany" which was not used as intended, presumably because it did not advocate sufficient "toughness." Zink clearly betrays his disillusionment that so much good work in preparing for the occupation should have gone for little or naught.

THE ALLIED MILITARY GOVERNMENT OF GERMANY. By W. Friedmann. London: Stevens (for the London Institute of World Affairs), 1947, 362 p. 25/.

With his German background, Professor Friedmann was able to put his two years of association with the Military Government of that country to good advantage. His account thus reflects not only the official point of view but the reaction of the Germans.

AND CALL IT PEACE. By Marshall Knappen. Chicago: University of Chicago Press, 1947, 213 p. $3.00.

This indictment of the way that the American Military Government in Germany mismanaged the reëducation program is long on administrative details and short on analysis of the problem itself.

BERLIN REPARATIONS ASSIGNMENT. By B. U. Ratchford and Wm. D. Ross. Chapel Hill: University of North Carolina Press, 1947, 259 p. $3.50.

Both authors, economists at Duke University, served in the office of Military Government at Berlin in connection with reparations problems. They have a low opinion of the haphazard way in which plans were made to deal with this vital issue and they are critical of the execution of the plan, once it was drawn up.

WHO KILLED HITLER? Edited by Herbert Moore and James W. Barrett. New York: Booktab Press, 1947, 176 p. $2.50.

This American Intelligence version is at variance with the British and Russian reports and suggests that Hitler was assassinated.

TO THE BITTER END. By Hans Bernd Gisevius. Boston: Houghton, 1947, 632 p. $4.00.

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Gisevius was one of the cogs in the conspiracy that began to form against Hitler among higher bureaucrats and army officers before the war. His account throws new light on this movement, but reveals its essentially anti-democratic character. What Gisevius disliked in Hitler was his methods, not his objectives.

THE VON HASSELL DIARIES, 1938–1944. Garden City: Doubleday, 1947, 400 p. $5.00.

Appointed German Ambassador to Italy under the Weimar Republic, Ulrich von Hassell retained this post until dropped by Ribbentrop in 1937. He later served in sundry capacities at home and abroad, but by 1938 had decided to work secretly against Hitler. He and his fellow conspirators wanted a return to the Bismarckian Reich, though von Hassell seems to have sensed the impossibility of this. He was executed in September 1944 in the Nazi clean-up after the nearly successful attempt on the Fuehrer's life of July 20. This is a translation, with an introduction by Allen W. Dulles, of "Vom Andern Deutschland" (Zürich: Atlantis, 1947, 416 p.).

DEUTSCHER WIDERSTAND. By Rudolf Pechel. Erlenbach-Zürich: Rentsch, 1947, 343 p. Sw. Fr. 12.50.

This rather poorly organized book shows that the opposition to Hitler within Germany included labor leaders as well as generals and Junkers. The author was the editor of the *Deutsche Rundschau* until 1942 when he endured three years of Gestapo torture.

VOLK IM DUNKEL. By Eugen Gürster. Lucerne: Vita Nova, 1946, 159 p. Sw. Fr. 9.

A forthright statement of the anti-Christian, materialist philosophy and the suicidal mania that led Germany to her doom.

THE ONLY WAY: HOW CAN THE GERMANS BE CURED? By Karl Barth. New York: Philosophical Library, 1947, 122 p. $2.00.

A noted anti-Nazi Swiss theologian offers suggestions, spiritual and practical, for delivering the Germans from their melancholy bondage to the mistakes of the past.

EUROPA VOR DER DEUTSCHEN FRAGE. By Ernst von Schenck. Bern: Francke, 1946, 224 p. Sw. Fr. 7.80.

Another Swiss with strong anti-Fascist sentiments expresses his thoughts on the future of Germany in letters to nine Germans of diverse station.

THE NORTHERN TANGLE: SCANDINAVIA AND THE POST-WAR WORLD. By Rowland Kenney. London: Dent, 1946, 255 p. 12/6.

An author well versed in Scandinavian affairs, after briefly reviewing the historical development of the five countries (including Finland and Iceland), describes in some detail political events since World War I.

SOCIAL DENMARK. New York: Crown Publishers, 1947, 475 p. $6.00.

A coöperative work reciting the achievements of Danish social legislation.

ECONOMIC DEVELOPMENT OF ICELAND THROUGH WORLD WAR II. By William Charles Chamberlin. New York: Columbia University Press, 1947, 141 p. $2.25.

The emphasis in this careful historical treatment is on the recent period.

ITALY. By Elizabeth Wiskemann. New York: Oxford University Press, 1947, 160 p. $1.75.

A remarkably compact review of recent history and of economic, social and cultural developments in modern Italy.

MADE IN ITALY. By Igor Markevitch. Paris: Julliard, 1947, 216 p. Fr. 150.

Impressions of the Italian people by one who lived among them during the war.

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PRELIMINARI DELL'ACCORDO COMMERCIALE TRA L'ITALIA E GLI STATI UNITI. By Giuseppe Festa. Rome: O.E.T., 1947, 187 p. L. 380.

A compendium of statistics setting forth Italy's productive capacity and her needs, not only as concern the trade agreement with the United States but rehabilitation schemes such as the Marshall Plan.

L'ORDINAMENTO BANCARIO E L'ATTIVITÀ CREDITIZIA. By Giannino Parravicini. Milan: Rizzoli, 1947, 193 p. L. 400.

A technical study of the control and use of credit in post-Fascist Italy.

POLÍTICA INTERNACIONAL DE ESPAÑA. By Agustín del Río Cisneros Madrid: Aguado, 1946, 174 p. Ptas. 15.

Fourteen articles originally appearing in the *Boletín de Información* published by the American Bureau of the Spanish Foreign Office during 1945 and 1946 and dealing with various aspects of Spain's foreign policy, including the United Nations issue.

PORTUGAL PERANTE AS TENDENCIAS DA ECONOMIA MUNDIAL. By A. Águedo de Oliveira. Lisbon: Centro de Estudos Económicos, 1947, 316 p. Escudos 50.

Essays on several of the leading problems of international trade, finance and economics — with special reference to Portuguese conditions.

ANTOLOGIA COLONIAL PORTUGUESA. VOLUME I. POLÍTICA E ADMINISTRAÇÃO. Lisbon: Agência Geral das Colónias, 1946, 334 p. Escudos 25.

This is the first in a projected series of volumes to contain the most significant writings on modern Portuguese colonial policy.

Eastern Europe

THE UNITED STATES AND RUSSIA. By Vera Micheles Dean. Cambridge: Harvard University Press, 1947, 321 p. $3.00.

Mrs. Dean places the Russian problem in its historical perspective with extraordinary objectivity. There are inevitably points with which the expert might quarrel, particularly in regard to recent diplomatic negotiations, but these do not seriously detract from the general excellence of her account. This volume appears in Sumner Welles' "American Foreign Policy Library." It includes Mrs. Dean's recommendations for American policy vis-à-vis the Soviets, and a useful bibliography.

THE FOREIGN POLICY OF SOVIET RUSSIA 1929–1941. VOLUME I, 1929–1936. By Max Beloff. New York: Oxford University Press (for the Royal Institute of International Affairs), 1947, 261 p. $4.25.

A great deal of solid history is packed into this important book, replete with quotations, statistics, references and appendices. Though the author seeks merely to reconstruct the intricate story of eight years of Soviet foreign policy, the alert reader will find in his account much that is instructive of the long-range aims and methods of Soviet behavior — in particular, the relation between the Kremlin's foreign strategy and the activities of Communist parties in other countries.

A POLGÁRHÁBORÚ ÉVEI A SZOVJET-UNIÓBAN. Budapest: Horizont, 1947, 586 p. 25 forint.

The events of October–November 1917 in Russia, propagandistically presented for the Hungarian public.

RUSSIA'S EUROPE. By Hal Lehrman. New York: Appleton-Century, 1947, 341 p. $3.75.

Having observed first-hand the ruthlessness with which the Soviets took over the Danubian states after the war, Mr. Lehrman is now quite convinced that it is only a matter of time before this pattern will be repeated in other countries.

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TOWARDS AN UNDERSTANDING OF RUSSIA: A STUDY IN POLICY AND STRATEGY. By Wlodzimierz Baczkowski. Jerusalem: The Author, 1947, 215 p.

Another exposé of Soviet imperialist ambitions.

OPERATION MOSCOW. By Christopher Norborg. New York: Dutton, 1947, 319 p. $3.50.

A Norwegian-American philosophy professor, one-time head of the Northern European Regional Section of UNRRA, after exploring the psychological motivation of the Politburo's behavior, suggests that we prepare to repel Soviet imperialism with a military *cordon sanitaire* and a revival of Christian devotion in non-Soviet Europe.

THE SPIRIT OF POST-WAR RUSSIA: SOVIET IDEOLOGY 1917–1946. By Rudolf Schlesinger. London: Dobson, 1947, 187 p. 8/6.

This account and explanation of the development of Soviet political philosophy and institutions has both the advantages and disadvantages of being the work of a well-informed apologist.

LA RUSSIA SOVIETICA. By A. Piccin. Rome: Faro, 1945, 495 p. L. 380.

An Italian technician who lived in Russia from 1924 to 1937 presents a "layman's" outline of economic, social and political developments under the Soviet régime.

SOVIET RUSSIA SINCE THE WAR. By Hewlett Johnson. New York: Boni and Gaer, 1947, 270 p. $3.00.

The "Red Dean of Canterbury" revisits Russia and finds ready confirmation of his unquestioning admiration for the Soviet régime and all its works.

LE PEUPLE RUSSE ET LA GUERRE. By Jean Champenois. Paris: Julliard, 1947, 268 p. Fr. 275.

Penetrating observations on events and conditions by a French journalist stationed in Russia from 1937 to June 1945 as a representative, first of the Havas Agency, later of the Free French Press in London.

DERECHO CONSTITUCIONAL SOVIÉTICO. By Segundo V. Linares Quintana. Buenos Aires: Claridad, 1946, 194 p. Pesos 3.

The texts of the four successive constitutions of Soviet Russia, with commentary.

SCIENTIST IN RUSSIA. By Eric Ashby. Harmondsworth: Penguin, 1947, 252 p. 1/.

Observations on scientific research and education in the Soviet Union, by a scientist attached to the Australian Legation in Moscow during the last year of the war.

"JUST TELL THE TRUTH." By John L. Strohm. New York: Scribner, 1947, 250 p. $3.50.

Mr. Strohm, a midwest farm editor, visited many parts of Russia freely and in this well-illustrated volume reports his observations without interpretation or prophecy.

OVER AT UNCLE JOE'S: MOSCOW AND ME. By Oriana Atkinson. Indianapolis: Bobbs-Merrill, 1947, 325 p. $3.00.

How the Russians appeared to the observant and witty wife of a *New York Times* correspondent in postwar Moscow.

SUOMEN ITSENÄISYYSKYSYMYS 1917. By Juhani Paasivirta. Helsingfors: Söderström, 1947, 244 p. M. 250.

A fresh interpretation of the Finnish "War of Independence" by a young scholar.

NÄIN HELSINGIN KASVAVAN. By Väinö Tanner. Helsingfors: Tammi, 1947, 343 p. M. 310.

The first volume of the reminiscences of a Finnish wartime leader.

POLAND'S PLACE IN EUROPE. Edited by Zygmunt Wojciechowski. Posen: Zachodni, 1947, 460 p. (London, The Reader, 40/.)

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Essays by four professors in Polish universities dealing with various phases of their country's historic relations with Germany.

POLAND, RUSSIA AND GREAT BRITAIN, 1941–1945. By R. Umiastowski. London: Hollis, 1946, 544 p. 25/.

A mass of material, not well arranged or digested, chosen by the author to document his irreconcilably anti-Soviet interpretation of Polish wartime foreign policy.

POLOGNE: 1919–1939. VOLUME III: VIE INTELLECTUELLE ET ARTISTIQUE. Neuchâtel (Switzerland): La Baconnière, 1947, 783 p.

A companion to the two volumes reviewed in the July 1947 issue of Foreign Affairs.

NĚMCI HROZÍ. By Emanuel Chalupný. Prague: Samec, 1947, 80 p. Kč. 36.

A Czech sociologist, with a wealth of quotations and historical support, restates the thesis that German aggressiveness has not changed and will not.

NEW CZECHOSLOVAKIA AND HER HISTORICAL BACKGROUND. By Gustav Beuer. London: Lawrence, 1947, 275 p. 12/6.

The political, economic and social progress of Czechoslovakia since World War I enthusiastically set forth by a former Communist member of the Czechoslovak Parliament, who though a Sudeten German is a rabid exponent of Slav racialism.

SLOVANSKÝ SJEZD V BĚLEHRADE r. 1946. Edited by V. Burian and Others. Prague: Orbis, 1947, 164 p. Kč. 40.

This report on the Pan-Slav Congress held at Belgrade in 1946 is interesting for its indications of current Slavic solidarity.

NÁŠ PRESIDENT. By Hana Klenková. Prague: Melantrich, 1947, 111 p. Kč. 25.

Intimate insight into President Beneš' career and his work.

HUNGARY: THE UNWILLING SATELLITE. By John F. Montgomery. New York: Devin-Adair, 1947, 281 p. $3.00.

A former American diplomat recounts the story of Hungary's *Gleichschaltung*, first with Nazi Germany and then with Communist Russia. The book contains a wealth of interesting first-hand observations, but its account of Hungarian reluctance to accept Nazi domination is somewhat marred by the author's attempt to give Horthy and his system a clean bill of health.

UJJÁÉPÍTŐ MAGYAROK. Edited by László Gáspár and Oszkár Zsadányi. Budapest: Kossuth, 1947, 600 p.

An illustrated summary of Hungarian rehabilitation efforts since the recent war. The volume deals not only with the reconstruction of railroads, mines and industrial plants but also with postwar changes in politics, law, commerce, and culture.

TRANSYLVANIA: THE LAND BEYOND THE FOREST. By Louis C. Cornish. Philadelphia: Dorrance, 1947, 258 p. $2.00.

An impassioned plea, by a distinguished American Unitarian clergyman, for Transylvanian autonomy within a Danubian federation. The author criticizes Rumanian misrule between the two wars and belongs to the Teleki school of historiography.

THE BALKANS: FRONTIER OF TWO WORLDS. By William B. King and Frank O'Brien. New York: Knopf, 1947, 278 p. $3.50.

A two-dimensional and not always well-informed survey of contemporary events and conditions, by two Associated Press correspondents.

THE SILENT PEOPLE SPEAK. By Robert St. John. Garden City: Doubleday, 1948, 397 p. $4.00.

St. John first became acquainted with Jugoslavia during the Nazi invasion in 1941 and wrote of these adventures in his "From the Land of the Silent People." The present volume, telling of another visit, is vivid in phraseology but inaccurate in detail and is vitiated throughout by an uncritical pro-Tito bias.

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GENERAL MIHAILOVICH: THE WORLD'S VERDICT. Gloucester: Bellows, 1947, 223 p. 10/6.

This selection of articles on the Chetnik leader, taken from "the world press," has no historical value save as an indication of the uncritical sympathy enlisted on behalf of the unfortunate general in many quarters.

The British Commonwealth of Nations

THE MEANING OF TREASON. By Rebecca West. New York: Viking, 1947, 307 p. $3.50.

Miss West, in masterly prose and with deep human understanding, relates the stories of "Lord Haw Haw" (William Joyce), John Amery and other lesser traitors brought to trial after the recent war.

EDITORIAL OPINION IN THE CONTEMPORARY BRITISH COMMONWEALTH AND EMPIRE. By James G. Allen. Boulder: University of Colorado, 1946, 605 p. $2.00.

Over 200 editorials (in whole or in part) taken from newspapers in many parts of the British Commonwealth and Empire and dealing with five specific issues of importance in imperial relations.

THE MAKING OF THE UNION OF SOUTH AFRICA. By M. S. Geen. New York: Longmans, 1947, 227 p. $3.00.

A brief, popular history from the Portuguese discovery to 1939.

SOUTH AFRICA. By A. W. Wells. London: Dent, 1947, 434 p. 16/.

A postwar revision of a standard guide to the Union's history and human geography.

WHITHER SOUTH AFRICA? By Douglas G. Wolton. London: Lawrence, 1947, 155 p. 10/6.

An analysis of Bantu institutions and a severe criticism of what Europeans have done to destroy them without providing adequate substitutes.

THE FUTURE OF AUSTRALIAN FEDERALISM. By Gordon Greenwood. Melbourne: Melbourne University Press, 1946, 323 p. 17/6.

A solid critique of the working of the Commonwealth's federal constitution, which the author believes has served its purpose and should now be replaced by an instrument setting up a more unitary state.

INDIA: A SYNTHESIS OF CULTURES. By Kewal Motwani. Bombay: Thacker, 1947, 319 p. Rs. 7/14.

After briefly summarizing India's background of historical and cultural diversity, Dr. Motwani seeks means for reconciling the centrifugal tendencies within a single culture which would make it possible for India to become a World Power.

CASTE AND OUTCASTE. By J. E. Sanjana. Bombay: Thacker, 1946, 249 p. Rs. 6/14.

The author attacks the whole caste system, not merely the disabilities of the Untouchables, as a block on India's road to true nationhood.

DANS LE SECRET DU BELOUTCHISTAN. By François Balsan. Paris: Grasset, 1946, 314 p. Fr. 240.

The adventures of a French archaeologist in little-known Baluchistan during 1937.

The Near East

TURKEY: OLD AND NEW. By Selma Ekrem. New York: Scribner, 1947, 186 p. $2.75.

A good popular account of the changes that have taken place in Turkish life during the last third of a century.

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HARP VE SOSYAL DÂVALARIMIZ. By Süreyya Temel. Istanbul: Iktisadi Yürüyüş Matbaasi ve Neşriyat Yurdu, 1947, 80 p.

A brief study of the effect of the two World Wars on Turkey's political and economic development, with special attention to democratic ideas, religious education and labor organization.

INSIDE PAN-ARABIA. By M. J. Steiner. Chicago: Hendricks House, 1947, 237 p. $3.00.

A moderately well-informed survey of recent developments in the Arab-speaking countries from the Atlantic Ocean to the Persian Gulf. The author thinks the Jews and Arabs should form a Semitic front against British imperialism.

MINORITIES IN THE ARAB WORLD. By A. H. Hourani. New York: Oxford University Press (for the Royal Institute of International Affairs), 1947, 140 p. $3.25.

A factual survey of the legal, economic and social position of national and religious minorities, preceded by a brief history of their origin and development.

EGYPT IN 1945. Edited by M. L. Roy Choudhury. Calcutta: The University, 1946, 233 p. Rs. 4.

Chapters on various aspects of contemporary Egyptian affairs and culture, in large part written by Egyptians but with three chapters by the editor.

THE SAND KINGS OF OMAN. By Raymond O'Shea. London: Methuen, 1947, 209 p. 12/6.

The wartime experiences of an R.A.F. officer in Trucial Oman — on the east (Persian Gulf) coast of Arabia, a region very little known to westerners.

INTRODUCTION TO IRAN. By Elgin Groseclose. New York: Oxford University Press, 1947, 257 p. $3.50.

A readable, well-informed summary of the civilization, modern political history, foreign relations and contemporary state of Persia, by one who has served the Iranian Government in high financial capacities.

PICTURES FROM PERSIA. By Cecil Keeling. London: Hale, 1947, 186 p. 15/.

A member of the British wartime occupation force in southern Persia records his impressions in prose and some 30 colored drawings.

The Far East

DANGER FROM THE EAST. By Richard E. Lauterbach. New York: Harper, 1947, 430 p. $3.75.

A *Life* correspondent takes us a little way behind the scenes in Japan and Korea during the early days of the American occupation and in China at the time of the Marshall mission.

ACRES AND PEOPLE. By Earley Vernon Wilcox. New York: Judd, 1947, 297 p. $3.00.

A popular review of Asia's age-old food problem.

KINA I STØBESKEEN. By Edmund Grut. Copenhagen: Gyldendal, 1947, 158 p. Kr. 8.85.

A popular review of China's history under the Republic, stressing her international position. The author, a Dane with long experience in southern Asia, served in the British Army during the recent war.

LAST CHANCE IN CHINA. By Freda Utley. Indianapolis: Bobbs-Merrill, 1947, 408 p. $3.50.

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A disillusioned British Communist, after passing a year in postwar China as a correspondent for *The Reader's Digest*, urges us to help Chiang and the Kuomintang against the Communist danger. In order to make her points she betrays a not infrequent recklessness with facts.

A PRESENÇA DE PORTUGAL EM MACAU. By António da Silva Rego. Lisbon: Agência Geral das Colónias, 1946, 111 p. Escudos 10.

A documented account of the legal basis of Portugal's possession of Macao.

STAR-SPANGLED MIKADO. By Frank Kelley and Cornelius Ryan. New York: McBride, 1947, 282 p. $3.50.

Two correspondents in Tokyo describe, breezily and none too reverently, various phases of the American occupation of Japan, including MacArthur's efforts to lay a basis for democratic government. They do not impugn the General's motives, but they feel that he is relying on the very people who backstopped Japanese expansionism before and are preparing to do it again.

LE PEUPLE JAPONAIS ET LA GUERRE: CHOSES VUES 1939–1946. By Robert Guillain. Paris: Julliard, 1947, 297 p. Fr. 275.

M. Guillain became director of the Havas Agency at Tokyo in 1938 and remained in Japan throughout the war. Though his movements were restricted, he was actually interned during only the last six months of the conflict. His account is valuable despite the fact that he lost his collection of material in the great fire of Tokyo.

Africa

NOTRE (?) AFRIQUE DU NORD. By Paul Reboux. Brussels: Chabassol, 1946, 315 p. Fr. 225.

Impressions, political and otherwise, of French North Africa during and after the recent war, by a novelist and essayist.

UMA JORNADA CIENTÍFICA NA GUINÉ PORTUGUESA. By António Mendes Corrêa. Lisbon: Agência Geral das Colónias, 1947, 193 p. Escudos 25.

An illustrated record of recent ethnological investigations in seldom-visited Portuguese West Africa.

LIBERIA. By Charles Morrow Wilson. New York: Sloane, 1947, 226 p. $3.75.

A popular, illustrated description of the people and their country, with particular attention to the rubber industry.

THE GOLD COAST LEGISLATIVE COUNCIL. By Martin Wight. London: Faber, 1947, 285 p. 12/6.

A politico-constitutional monograph, the second in Margery Perham's "Studies in Colonial Legislatures," published under the auspices of Nuffield College.

PATH TO NIGERIAN FREEDOM. By Obafemi Awolowo. London: Faber, 1947, 137 p. 7/6.

A Nigerian nationalist wants the process of conferring self-government on his country speeded up despite widespread illiteracy and other admitted drawbacks.

HAVE WE FAILED IN NIGERIA? By Walter R. Miller. London: Lutterworth, 1947, 156 p. 6/.

Dr. Miller, for many years a missionary and teacher in northern Nigeria, believes that on balance British policy towards the natives shows more failures than successes. This criticism he accompanies with concrete suggestions for reform.

AN AFRICAN ARISTOCRACY. By Hilda Kuper. New York: Oxford University Press (for the International African Institute), 1947, 251 p. $8.00.

A painstaking study of social organization among the Swazi in Bechuanaland.

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CRISIS IN KENYA. By S. and K. Aaronovitch. London: Lawrence, 1947, 211 p. 10/6.

An attack on British imperialist policies in East Africa — which, according to the authors, have been continued by the Labor Government. They present their own program for advancing the physical and cultural welfare of the natives.

ETHIOPIA. By David Mathew. London: Eyre, 1947, 254 p. 15/.

This history of the Abyssinian kingship in modern times is by an archbishop who was papal envoy in Ethiopia during 1945.

Latin America

BATTLE FOR THE HEMISPHERE. By Edward Tomlinson. New York: Scribner, 1947, 250 p. $3.50.

American policy in Latin America, avers Mr. Tomlinson, should be to support truly democratic elements rather than the old-style dictators or the totalitarian extremists of either Right or Left.

NOW IN MEXICO. By Hudson Strode. New York: Harcourt, 1947, 368 p. $5.00.

Well-written, up-to-date travel information.

THE UNITED STATES AND THE CARIBBEAN. By Dexter Perkins. Cambridge: Harvard University Press, 1947, 253 p. $3.00.

A sound, balanced review of the history, economic development and social problems of the Republics facing the Caribbean, with emphasis on their close relations with the United States. The author is the leading authority on the Monroe Doctrine and his volume forms part of the "American Foreign Policy Library" edited by Sumner Welles.

SAMBUMBIA. By Page Cooper. New York: Caribbean Library, 1947, 203 p. $2.75

Observations on a sojourn in the Dominican Republic.

GEOGRAFIA DE COLOMBIA. By Ramón Carlos Goez. Mexico: Fondo de Cultura Económica, 1947, 219 p.

Data on the country's physical, human and economic geography.

EAST OF THE ANDES AND WEST OF NOWHERE. By Nancy Bell Bates. New York: Scribner, 1947, 237 p. $3.50.

The fascinating adventures of American naturalists in the seldom-visited trans-Andean (eastern) lowlands of Colombia.

THE ENCHANTED ISLANDS. By Ainslie and Frances Conway. New York: Putnam, 1947, 280 p. $3.50.

Life in the little-known Galapagos Islands, colorfully described.

REVOLUTION BEFORE BREAKFAST. By Ruth and Leonard Greenup. Chapel Hill: University of North Carolina Press, 1947, 266 p. $4.00.

Two American journalists who worked in Buenos Aires during the war years present an illuminating panorama of affairs and personages in Argentina.

EXAMEN DEL PROBLEMA INDUSTRIAL ARGENTINO. By Juan Llamazares. Buenos Aires: University of Buenos Aires, 1946, 298 p.

A doctoral thesis in which the author, after surveying the state of Argentine industry, describes various policies pursued by other countries to bolster their national economies.

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SOURCE MATERIAL

By Ruth Savora

I. DOCUMENTS

Documents may be procured from the following: *United States:* Superintendent of Documents, Washington 25, D. C. *Great Britain:* British Information Services, 30 Rockefeller Plaza, New York 20. *United Nations, International Court of Justice, World Health Organization, Food and Agriculture Organization, Caribbean Commission,* Columbia University Press, Int. Documents Service, 2960 Broadway, New York 27. *Int. Labor Office:* 734 Jackson Place, Washington 6, D. C. Washington imprints are Superintendent of Documents and London imprints are His Majesty's Stationery Office unless otherwise noted.

Aeronautics

Survival in the air age, a report by the President's Air Policy Commission. Washington, 1948. 166 p.

Africa

Review of commercial conditions: Sudan. June 1947. London, 1947. 22 p. 6d.

The Sudan; a record of progress, 1898–1947. n.pl., Sudan Government, 1947. 88 p. 6d.

Commercial Policy and Trade

Analysis of general agreement on tariffs and trade signed at Geneva, October 30, 1947. Washington, 1947. 206 p. (Dept. of State Publication 2983. Commercial Policy Series 109.) 50¢.

Analysis — Geneva draft of charter for an International Trade Organization. Washington, United States Tariff Commission, 1947. 99 p.

The Geneva charter for an International Trade Organization, a commentary. Washington, 1947. 27 p. (Dept. of State Publication 2950. Commercial Policy Series 107.) 15¢.

Report of the second session of the Preparatory Committee of the United Nations Conference on Trade and Employment. Geneva, United Nations, 1947. 87 p. (E/PC/T/186.) 75¢.

Czechoslovakia

Long-term planning in Czechoslovakia; a speech by Prime Minister Klement Gottwald given at the extraordinary meeting of the Central Planning Commission of Czechoslovakia on October 10, 1947. Prague, Czechoslovak Ministry of Information, 1947. 14 p.

Financial Policy and Exchange

International monetary fund; by-laws and rules and regulations. Washington, International Monetary Fund, 1947. 36 p.

France

Publications of the Ministère de la France d'Outre-Mer. Paris, Agence des Colonies, 1946–1947.

1. Nouvelle-Calédonie et dépendances Nouvelles Hébrides. 13 p. *2.* Le Cameroun. 34 p. *3.* L'Afrique Occidentale Française. 38p. *4.* L'Afrique Équatoriale Française. 29 p. *5.* La Guadeloupe. 18 p. *6.* Madagascar. 29 p. *7.* La Martinique. 21 p. *8.* Établissements Français de l'Océanie. 23 p. *9.* Le Togo. 22 p.

Statistiques du commerce extérieur des territoires français d'outre-mer . . . en 1945. Paris, Ministère de la France d'Outre-Mer, 1947. 136 p.

Germany

Documents français relatifs à l'Allemagne. Paris, Imprimerie nationale, 1947. 64 p.

Great Britain

Towards self-government in the British colonies. New York, British Information Services, 1947. 62 p.

Greece

Greece still fights on for liberty; statement made before the U.N. Commission of Investigation by the Liaison Representative of the Hellenic Government. New York, Greek Government Office of Information, 1947. unp.

India

Statistical statements relating to the co-operative movement in India for the years 1943–44 and 1944–45. Bombay, Reserve Bank of India, 1947. 39 p. 5s.

——. Supplement. Thirty years of co-operation in India, 1914–15 to 1944–45. Bombay, Reserve Bank of India, 1947. unp. Rs. 2–8–0.

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Korea

Korea's independence. Washington, 1947. 60 p. (Dept. of State Publication 2933. Far Eastern Series 18.) 15¢.

Labor

International Labour Conference, 30th session, Geneva, 1947. Reports. Geneva, International Labour Office, 1947.

2. Financial and budgetary questions. 45 p. *4.* The organisation of labour inspection in industrial and commercial undertakings. Supplement. 65 p. *5.* (2) Employment service organisation. Supplement. 22 p. *6.* Reports on the application of conventions (Article 22 of the constitution). 138 p. Appendix. 29 p. *7.* Freedom of association and industrial relations. 145 p.

International Labour Organisation. Iron and Steel Committee. Report of the First Session (Cleveland, Ohio, April 1946). Geneva, International Labour Office, 1947. 227 p.

——. ——. 2nd session, Stockholm, 1947. Reports.

1. General Report. 48 p. *2.* Regularisation of production and employment at a high level. 73 p. *3.* Minimum income security. 96 p. *4.* Labour-management co-operation. 72 p.

International Labour Organisation. Metal Trades Committee. Report of the First Session (Toledo, Ohio, May 1946). Geneva, International Labour Office, 1947. 207 p.

——. ——. 2nd session, Stockholm, 1947. Reports.

1. General Report. 63 p. *2.* Regularisation of production and employment at a high level. The automobile industry. 74 p. *3.* Minimum income security. 28 p. *4.* Labour-management co-operation. 99 p.

International Labour Organisation. Preparatory Asiatic Regional Conference, New Delhi, 1947. Reports. New Delhi, International Labour Office, 1947.

1. Problems of social security. 123 p. *2.* Labour policy in general including the enforcement of labour measures. 335 p. *3.* Programme of action for the enforcement of social standards embodied in conventions and recommendations not yet ratified or accepted. 106 p. *4.* The economic background of social policy including problems of industrialisation. 221 p.

——. ——. Report of the Director General. 1947.

Industrial relations in Denmark; basic collective agreements and laws on labour disputes. Copenhagen, Socialt Tidsskrift, 1947. 31 p. 50¢.

Latin America

Ninth International Conference of American states, Bogotá, Colombia, January 17, 1948: [Reports on] program and regulations. Washington, Pan American Union, 1947. 24 p.

La Actividad económica Colombiana formación del indice general, by Leonel Torres G. H. Bogotá, Banco de la Republica, 1947. 183 p.

Anuario estadístico de la Republica Argentina, comercio exterior, 1944. Buenos Aires, Dirección Nacional de Investigaciones, Estadística y Censos, 1947. 547 p.

Reports on mining and manufacturing industries in the American Republics. Washington, U. S. Tariff Commission, 1947.

Cuba. 47 p. 20¢.

Netherlands East Indies

Report by the Consular Commission at Batavia to the Security Council. Lake Success, United Nations, 1947. 139 p. (S/586.)

The Indonesian problem: facts and factors. Batavia, Netherlands Indies Government Information Service, 1947. 59 p.

Palestine

The Political history of Palestine under British administration; memorandum by His Britannic Majesty's Government presented in 1947 to the United Nations Special Committee on Palestine. New York, British Information Services, 1947. 40 p.

Peace Negotiations

Hungary and the Conference of Paris. Budapest, Hungarian Ministry for Foreign Affairs, 1947.

vol. 1. Les rapports internationaux de la Hongrie avant la Conférence de Paris. 190 p.

vol. 2. Hungary's international relations before the Conference of Paris. 172 p.

vol. 4. Hungary at the Conference of Paris. 201 p.

Return of Italian property. Hearing before the Committee on Interstate and Foreign Commerce, House, 80th Cong., 1st Sess., on S.J.Res.138. July 17, 1947. Washington, 1947. 33 p. 10¢.

——. Act. Approved August 5, 1947. 3 p. (Public Law 370, 80th Cong. — S.J.Res.138.)

Providing for the payment of neutral claims. Report from the Committee on Foreign Relations, Senate, 80th Cong., 1st Sess., to accompany S.1605. Dec. 18, 1947. Washington, 1947. 4 p. (S.Rept.805.)

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Propaganda

Investigation of un-American propaganda activities in the United States. Hearings before the Committee on un-American Activities, House, 80th Cong., 1st Sess., on H.R.1884 and H.R.2122. July 21, 1947. Washington, 1947. (Testimony of Walter S. Steele regarding Communist activities in the United States.) 176 p. 35¢.

——. Hearings. July 22, 1947. (Testimony of Victor A. Kravchenko.) Washington, 1947. 30 p. 10¢.

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